

State of Texas
Federal Portion of the
Statewide Single Audit Report
for the Year Ended
August 31, 2017

Report No. 18-314



Table of Contents

Independent Auditor’s Report on the Schedule of Expenditures of Federal Awards.....	1
Independent Auditors’ Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by Uniform Guidance	2
Schedule of Expenditures of Federal Awards	21
Notes to Schedule of Expenditures of Federal Awards.....	169
Schedule of Findings and Questioned Costs	
Section 1: Summary of Auditors’ Results.....	175
Section 2: Financial Statement Findings.....	178
Section 3a: Federal Award Findings and Questioned Costs – KPMG.....	180
Section 3b: Federal Award Findings and Questioned Costs – Other Auditors	257
Summary Schedule of Prior Audit Findings – KPMG.....	394
Summary Schedule of Prior Audit Findings – Other Auditors	479
Corrective Action Plan – KPMG	655
Corrective Action Plan – Other Auditors.....	686

Independent Auditors' Reports
Federal Portion of
Statewide Single Audit Report
For the Year Ended August 31, 2017



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, 2017, and have issued our report thereon dated February 21, 2018, 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, 2018

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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, 2017. 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 \$68.0 million in federal awards which are not included in the schedule of expenditures of federal awards for the year ended August 31, 2017. 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, 2017. 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>
Health and Human Services Commission Department of State Health Services	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children TANF Cluster	Procurement and Suspension and Debarment	2017-023
Department of State Health Services	CFDA 93.917 – HIV Care Formula Grants	Eligibility	2017-029

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, 2017.

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 identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2017.

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 Agriculture	Child Nutrition Cluster	Special Tests and Provisions – Accountability for USDA-Donated Foods	2017-003
Comptroller of Public Accounts Health and Human Services Commission	Medicaid Custer	Cash Management	2017-004



Agency/University	Major Program	Compliance Requirement	Finding Number
Department of Family and Protective Services	CFDA 93.556 – Promoting Safe and Stable Families CFDA 93.658 – Foster Care- Title IV-E CFDA 93.659 – Adoption Assistance CFDA 93.667 – Social Services Block Grant TANF Cluster	Allowable Costs/Cost Principles	2017-005
	CFDA 93.556 – Promoting Safe and Stable Families CFDA 93.667 – Social Services Block Grant	Period of Performance	2017-007
Health and Human Services Commission	CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA 93.667 – Social Services Block Grant CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse Disability Insurance/SSI Cluster Medicaid Cluster TANF Cluster	Allowable Costs/Cost Principles	2017-009
	Medicaid Cluster	Program Income	2017-012
		Special Tests and Provisions – Utilization Control and Program Integrity	2017-014
		Special Tests and Provisions – ADP Risk Analysis and System Security Review	2017-015
		Special Tests and Provisions – Provider Health and Safety Standards	2017-016
	CFDA 93.667 – Social Services Block Grant	Period of Performance	2017-019
		Subrecipient Monitoring	2017-020
CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse	Subrecipient Monitoring	2017-021	



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Health and Human Services Commission Department of Aging and Disability Services Department of 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 93.556 – 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	2017-026
Department of Public Safety	CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring	2017-027
	CFDA 97.039 – Hazard Mitigation Grant (HMGP)	Subrecipient Monitoring	2017-028
Department of State Health Services	CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse	Matching, Level of Effort, Earmarking	2017-031
Texas Higher Education Coordinating Board	CFDA 84.032L – Federal Family Education Loans	Special Tests and Provisions – Due Diligence by Lenders in the Collection of Delinquent Loans	2017-033
Texas Workforce Commission	CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States	Eligibility Special Tests and Provisions – Completion of IPEs	2017-035
	TANF Cluster	Subrecipient Monitoring	2017-036



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas Workforce Commission	TANF Cluster	Special Tests and Provisions – Penalty for Failure to Comply with Work Verification Plan	2017-037
Prairie View A&M University	Student Financial Assistance Cluster	Cash Management Reporting	2017-101
		Eligibility	2017-102
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Verification	2017-103
		Special Tests and Provisions – Return of Title IV Funds	2017-104
		Special Tests and Provisions – Enrollment Reporting	2017-105
Sam Houston State University	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-106
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2017-107
Stephen F. Austin State University	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2017-108
Texas A&M University	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2017-109
		Special Tests and Provisions – Return of Title IV Funds	2017-110
		Special Tests and Provisions – Enrollment Reporting	2017-111
Texas A&M University – San Antonio	Student Financial Assistance Cluster	Eligibility	2017-112
		Reporting	2017-113
		Special Tests and Provisions – Verification	2017-114
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2017-115
		Special Tests and Provisions – Return of Title IV Funds	2017-116



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas A&M University – San Antonio	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-117
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2017-118
Texas Southern University	Student Financial Assistance Cluster	Eligibility Special Tests and Provisions – Institutional Eligibility	2017-119
		Special Tests and Provisions – Verification	2017-120
		Special Tests and Provisions – Enrollment Reporting	2017-121
Texas Tech University	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2017-123
		Special Tests and Provisions – Return of Title IV Funds	2017-124
Texas Woman’s University	Student Financial Assistance Cluster	Eligibility Special Tests and Provisions – Institutional Eligibility	2017-125
		Special Tests and Provisions – Verification	2017-126
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2017-127
		Special Tests and Provisions – Return of Title IV Funds	2017-128
		Special Tests and Provisions – Enrollment Reporting	2017-129
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2017-130
University of Houston	Student Financial Assistance Cluster	Eligibility Activities Allowed or Unallowed Special Tests and Provisions – Institutional Eligibility	2017-131
		Special Tests and Provisions – Verification	2017-132



<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 – Return of Title IV Funds	2017-133
		Special Tests and Provisions – Enrollment Reporting	2017-134
University of North Texas	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2017-135
		Special Tests and Provisions – Return of Title IV Funds	2017-136
University of Texas at Arlington	Student Financial Assistance Cluster	Cash Management Reporting	2017-137
		Special Tests and Provisions – Verification	2017-138
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2017-139
		Special Tests and Provisions – Return of Title IV Funds	2017-140
University of Texas at Austin	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-141
		Special Tests and Provisions – Return of Title IV Funds	2017-142
		Special Tests and Provisions – Enrollment Reporting	2017-143
University of Texas at El Paso	Student Financial Assistance Cluster	Eligibility	2017-145
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Verification	2017-146
		Special Tests and Provisions – Return of Title IV Funds	2017-147
University of Texas Health Science Center at Houston	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-148
		Eligibility	2017-150
		Special Tests and Provisions – Verification	2017-151
		Special Tests and Provisions – Return of Title IV Funds	2017-152



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Texas Health Science Center at Houston	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-153
University of Texas Health Science Center at San Antonio	Student Financial Assistance Cluster	Cash Management Activities Allowed or Unallowed Reporting	2017-154
		Special Tests and Provisions – Enrollment Reporting	2017-155
University of Texas Rio Grande Valley	Student Financial Assistance Cluster	Cash Management Reporting	2017-156
		Special Tests and Provisions – Verification	2017-157
		Special Tests and Provisions – Return of Title IV Funds	2017-158
		Special Tests and Provisions – Enrollment Reporting	2017-159
		Special Tests and Provisions – Student Loan Repayments	2017-160
University of Texas at San Antonio	Student Financial Assistance Cluster	Special Tests and Provisions – Disbursements To or On Behalf of Students	2017-161

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 the 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 have not been 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 consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs and listed below to be material weaknesses.

<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Health and Human Services Commission Department of State Health Services	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children TANF Cluster	Procurement and Suspension and Debarment	2017-023
Department of State Health Services	CFDA 93.917 – HIV Care Formula Grants	Eligibility	2017-029

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	2017-001
Department of Agriculture	CFDA 10.558 – Child and Adult Care Food Program CFDA 10.560 – State Administrative Expenses for Child Nutrition Child Nutrition Cluster	Allowable Costs/Cost Principles Cash Management Matching, Level of Effort, Earmarking Period of Performance Procurement and Suspension and Debarment Reporting Subrecipient Monitoring Special Tests and Provisions – Accountability for USDA-Donated Foods	2017-002
	Child Nutrition Cluster	Special Tests and Provisions – Accountability for USDA-Donated Foods	2017-003
Comptroller of Public Accounts Health and Human Services Commission	Medicaid Custer	Cash Management	2017-004



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>		
Department of Family and Protective Services	CFDA 93.556 – Promoting Safe and Stable Families	Allowable Costs/Cost Principles	2017-005		
	CFDA 93.658 – Foster Care- Title IV-E				
	CFDA 93.659 – Adoption Assistance				
Department of Family and Protective Services	CFDA 93.667 – Social Services Block Grant	Eligibility	2017-006		
	TANF Cluster				
	TANF Cluster				
Department of Family and Protective Services	CFDA 93.556 – Promoting Safe and Stable Families	Period of Performance	2017-007		
	CFDA 93.667 – Social Services Block Grant				
	CFDA 93.667 – Social Services Block Grant				
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	2017-008		
Health and Human Services Commission	CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States	Allowable Costs/Cost Principles	2017-009		
	CFDA 93.667 – Social Services Block Grant				
	CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse				
	Disability Insurance/SSI Cluster				
	Medicaid Cluster				
	TANF Cluster				
	Medicaid Cluster			Allowable Costs/Cost Principles	2017-010
	Medicaid Cluster			Eligibility	2017-011
	Medicaid Cluster			Program Income	2017-012
	Medicaid Cluster			Special Tests and Provisions – Inpatient Hospital and Long-Term Care Facility Audits	2017-013
Medicaid Cluster	Special Tests and Provisions – Utilization Control and Program Integrity	2017-014			
Medicaid Cluster	Special Tests and Provisions – ADP Risk Analysis and System Security Review	2017-015			



<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 – Provider Health and Safety Standards	2017-016
		Special Tests and Provisions – Provider Eligibility	2017-017
	TANF Cluster	Eligibility	2017-018
	CFDA 93.667 – Social Services Block Grant	Period of Performance	2017-019
		Subrecipient Monitoring	2017-020
	CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse	Subrecipient Monitoring	2017-021
Health and Human Services Commission Department of State Health Services	CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse Medicaid Cluster	Special Tests and Provisions – Independent Peer Reviews	2017-022
		Allowable Costs/Cost Principles	2017-024
Health and Human Services Commission Department of Aging and Disability Services Department of Family and Protective Services Department of State Health Services	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children	Allowable Costs/Cost Principles	2017-025
		Cash Management Matching, Level of Effort, and Earmarking	
	CFDA 93.268 – Immunization Cooperative Agreements	Period of Performance	
	CFDA 93.556 – Promoting Safe and Stable Families	Reporting	
	CFDA 93.658 – Foster Care – Title IV-E		
	CFDA 93.659 – Adoption Assistance		
	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		
	Disability Insurance/SSI Cluster Medicaid Cluster TANF Cluster		



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Health and Human Services Commission Department of Aging and Disability Services Department of 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 93.556 – 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	2017-026
Department of Public Safety	CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring	2017-027
	CFDA 97.039 – Hazard Mitigation Grant (HMGP)	Subrecipient Monitoring	2017-028
Department of State Health Services	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children CFDA 93.268 – Immunization Cooperative Agreements CFDA 93.667 – Social Services Block Grant CFDA 93.917 – HIV Care Formula Grants CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse Medicaid Cluster	Allowable Costs/Cost Principles	2017-030
	CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse	Matching, Level of Effort, Earmarking	2017-031



Agency/University	Major Program	Compliance Requirement	Finding Number
Texas Education Agency	CFDA 84.365 – English Language Acquisition State Grants CFDA 84.367 – Supporting Effective Instruction State Grant Special Education Cluster (IDEA)	Cash Management Matching, Level of Effort, Earmarking Period of Performance Reporting Subrecipient Monitoring	2017-032
Texas Workforce Commission	CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States TANF Cluster	Allowable Costs/Cost Principles Cash Management Matching, Level of Effort, Earmarking Period of Performance Reporting Subrecipient Monitoring	2017-034
	CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States TANF Cluster	Eligibility Special Tests and Provisions – Completion of IPEs	2017-035
		Subrecipient Monitoring	2017-036
		Special Tests and Provisions – Penalty for Failure to Comply with Work Verification Plan	2017-037
Department of Transportation	CFDA 20.223 – Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	Allowable Costs/Cost Principles Cash Management Matching, Level of Effort, and Earmarking Period of Performance	2017-038
		Special Tests and Provisions – Wage Rate Requirements	2017-039
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	2017-040
Prairie View A&M University	Student Financial Assistance Cluster	Cash Management Reporting	2017-101
		Eligibility Special Tests and Provisions – Institutional Eligibility	2017-102



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Prairie View A&M University	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2017-103
		Special Tests and Provisions – Return of Title IV Funds	2017-104
		Special Tests and Provisions – Enrollment Reporting	2017-105
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2017-106
Sam Houston State University	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-107
Stephen F. Austin State University	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2017-108
Texas A&M University	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2017-109
		Special Tests and Provisions – Return of Title IV Funds	2017-110
		Special Tests and Provisions – Enrollment Reporting	2017-111
Texas A&M University – San Antonio	Student Financial Assistance Cluster	Eligibility Activities Allowed or Unallowed Cash Management Special Tests and Provisions – Institutional Eligibility	2017-112
		Reporting	2017-113
		Special Tests and Provisions – Verification	2017-114
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2017-115
		Special Tests and Provisions – Return of Title IV Funds	2017-116
		Special Tests and Provisions – Enrollment Reporting	2017-117
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2017-118



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas Southern University	Student Financial Assistance Cluster	Eligibility	2017-119
		Special Tests and Provisions – Institutional Eligibility	
		Activities Allowed or Unallowed	
Texas Southern University	Student Financial Assistance Cluster	Cash Management Reporting	2017-120
		Special Tests and Provisions – Disbursements To or On Behalf of Students	
		Special Tests and Provisions – Return of Title IV Funds	
Texas Southern University	Student Financial Assistance Cluster	Special Tests and Provisions – Borrower Data Transmission	2017-121
		Special Tests and Provisions – Verification	
		Special Tests and Provisions – Enrollment Reporting	
Texas State University	Student Financial Assistance Cluster	Activities Allowed or Unallowed	2017-122
		Cash Management Reporting	
		Special Tests and Provisions – Verification	
Texas State University	Student Financial Assistance Cluster	Special Tests and Provisions – Disbursements To or On Behalf of Students	2017-123
		Special Tests and Provisions – Return of Title IV Funds	
		Special Tests and Provisions – Enrollment Reporting	
Texas State University	Student Financial Assistance Cluster	Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2017-124
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Verification	
Texas Tech University	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2017-125
		Special Tests and Provisions – Verification	
Texas Tech University	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2017-124
		Special Tests and Provisions – Return of Title IV Funds	
Texas Woman’s University	Student Financial Assistance Cluster	Eligibility	2017-125
		Special Tests and Provisions – Institutional Eligibility	
Texas Woman’s University	Student Financial Assistance Cluster	Activities Allowed or Unallowed	2017-125
		Cash Management Reporting	



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas Woman's University	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2017-126
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2017-127
		Special Tests and Provisions – Return of Title IV Funds	2017-128
		Special Tests and Provisions – Enrollment Reporting	2017-129
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2017-130
University of Houston	Student Financial Assistance Cluster	Eligibility Activities Allowed or Unallowed	2017-131
		Special Tests and Provisions – Institutional Eligibility	2017-132
		Special Tests and Provisions – Verification	
		Special Tests and Provisions – Return of Title IV Funds	
University of North Texas	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-134
		Special Tests and Provisions – Verification	2017-135
		Activities Allowed or Unallowed	
		Cash Management	
		Eligibility Reporting	
		Special Tests and Provisions – Disbursements To or On Behalf of Students	
Special Tests and Provisions – Enrollment Reporting	2017-136		
Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)			
Special Tests and Provisions – Institutional Eligibility			
		Special Tests and Provisions – Return of Title IV Funds	



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Texas at Arlington	Student Financial Assistance Cluster	Cash Management Reporting	2017-137
		Activities Allowed or Unallowed Eligibility	
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Verification	2017-138
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2017-139
		Special Tests and Provisions – Return of Title IV Funds	2017-140
University of Texas at Austin	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-141
		Special Tests and Provisions – Return of Title IV Funds	2017-142
University of Texas at El Paso	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-143
		Cash Management	2017-144
		Eligibility	2017-145
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Verification	2017-146
University of Texas Health Science Center at Houston	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2017-147
		Special Tests and Provisions – Enrollment Reporting	2017-148
		Cash Management	2017-149
		Eligibility	2017-150
		Special Tests and Provisions – Verification	2017-151
		Special Tests and Provisions – Return of Title IV Funds	2017-152



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Texas Health Science Center at Houston	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2017-153
University of Texas Health Science Center at San Antonio	Student Financial Assistance Cluster	Cash Management Activities Allowed or Unallowed Reporting	2017-154
		Special Tests and Provisions – Enrollment Reporting	2017-155
University of Texas Rio Grande Valley	Student Financial Assistance Cluster	Cash Management Reporting	2017-156
		Special Tests and Provisions – Verification	2017-157
		Special Tests and Provisions – Return of Title IV Funds	2017-158
		Special Tests and Provisions – Enrollment Reporting	2017-159
		Special Tests and Provisions – Student Loan Repayments	2017-160
University of Texas at San Antonio	Student Financial Assistance Cluster	Special Tests and Provisions – Disbursements To or On Behalf of Students Activities Allowed or Unallowed Cash Management Eligibility Reporting Special Tests and Provisions – Verification Special Tests and Provisions – Return of Title IV Funds Special Tests and Provisions – Enrollment Reporting Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan) Special Tests and Provisions – Institutional Eligibility	2017-161

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPMG LLP

Austin, Texas
February 21, 2018

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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	U4129	\$	84,931	84,931
Agricultural Research Basic and Applied Research	10.001			125,238	125,238
Plant and Animal Disease, Pest Control, and Animal Care	10.025			4,790,003	4,790,003
Wildlife Services	10.028			43,000	43,000
<i>Pass-Through from Tuskegee University</i>		39-32650-071-76190		905	905
<i>Pass-Through from Tuskegee University</i>		M1602758		175	175
Total - CFDA 10.028			0	44,080	44,080
Voluntary Public Access and Habitat Incentive Program	10.093		343,194	240,485	583,679
Biofuel Infrastructure Partnership	10.117		1,613,117		1,613,117
Market News	10.153			9,000	9,000
Market Protection and Promotion	10.163			1,267,031	1,267,031
Transportation Services	10.167			46,772	46,772
Specialty Crop Block Grant Program - Farm Bill	10.170		1,231,284	325,911	1,557,195
<i>Pass-Through from East Texas Grape and Wine Producers</i>		2017-001		38,584	38,584
<i>Pass-Through from Nacogdoches Economic Development Corporation</i>		2017-001		32,800	32,800
<i>Pass-Through from Texas Hill Country Wineries</i>		15-TAMEXT-001		41,814	41,814
<i>Pass-Through from Texas Hill Country Wineries</i>		M1601297		51,866	51,866
<i>Pass-Through from Texas Hill Country Wineries</i>		SC-1415-03		(347)	(347)
<i>Pass-Through from Texas Olive Oil Council</i>		TOOC-2015TAMU-E		28,624	28,624
<i>Pass-Through from Texas Pecan Growers Association</i>		M1601015		23,260	23,260
Total - CFDA 10.170			1,231,284	542,512	1,773,796
Organic Certification Cost Share Programs	10.171		89,659	1,606	91,265
Grants for Agricultural Research, Special Research Grants	10.200				
<i>Pass-Through from Kansas State University</i>		S16098		(1,271)	(1,271)
<i>Pass-Through from Mississippi State University</i>		2016-38500-25752		28,000	28,000
<i>Pass-Through from Mississippi State University</i>		SRS REF #M1600043		3,427	3,427
<i>Pass-Through from Mississippi State University</i>		SRS REF #M1602871		4,344	4,344
<i>Pass-Through from Oklahoma State University</i>		2-562140 TAMUEX		2,861	2,861
<i>Pass-Through from Oklahoma State University</i>		3-580280TAMUEX		21,721	21,721
<i>Pass-Through from University of Florida</i>		1600432633		964	964
<i>Pass-Through from University of Florida</i>		1600472071		4,773	4,773
<i>Pass-Through from University of Florida</i>		1600472758		2,296	2,296
<i>Pass-Through from University of Florida</i>		1600472769		12,500	12,500
<i>Pass-Through from University of Florida - Gainesville</i>		6015-1600431039		245	245
<i>Pass-Through from University of New Hampshire</i>		16-067		54,354	54,354
Total - CFDA 10.200			0	134,214	134,214
Sustainable Agriculture Research and Education	10.215			216	216
<i>Pass-Through from National Center for Appropriate Technology</i>		SARE #LS14-264		5,898	5,898
<i>Pass-Through from University of Georgia</i>		RD309-129/5054666		6,433	6,433
<i>Pass-Through from University of Georgia</i>		RD309-129/S000776		(109)	(109)
<i>Pass-Through from University of Georgia</i>		RD309-129/S000837		4,599	4,599
<i>Pass-Through from University of Georgia</i>		RD309-129/S001066		8,824	8,824
<i>Pass-Through from University of Georgia</i>		RD309-134/S001077	20,126	20,233	40,359
<i>Pass-Through from University of Georgia</i>		RD309-134/S001167		9,535	9,535

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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>		RD309-134/S001168		9,446	9,446
<i>Pass-Through from University of Wyoming</i>		1003285		16,419	16,419
Total - CFDA 10.215			20,126	81,494	101,620
1890 Institution Capacity Building Grants	10.216			238,292	238,292
Higher Education - Institution Challenge Grants Program	10.217			2,388	2,388
Hispanic Serving Institutions Education Grants	10.223			336,887	336,887
<i>Pass-Through from University of New Mexico</i>		2015-38422-24068		11,961	11,961
<i>Pass-Through from University of Puerto Rico - Mayaguez</i>		2014-2015-005		97	97
Total - CFDA 10.223			0	348,945	348,945
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226			20,753	20,753
Agricultural and Food Policy Research Centers	10.291			363,667	363,667
Integrated Programs	10.303				
<i>Pass-Through from University of Florida</i>		UFDSP00010050		248	248
Homeland Security Agricultural	10.304				
<i>Pass-Through from Kansas State University</i>		S17049		23,617	23,617
<i>Pass-Through from University of Florida</i>		UFDSP00011543 (RECIPIENT S)		26,686	26,686
Total - CFDA 10.304			0	50,303	50,303
Specialty Crop Research Initiative	10.309			307,524	307,524
<i>Pass-Through from Michigan State University</i>		RC105573TAM		80,071	80,071
<i>Pass-Through from University of California - Riverside</i>		S-000719		43,925	43,925
<i>Pass-Through from University of Florida</i>		UFDSP00011161		27,032	27,032
Total - CFDA 10.309			0	458,552	458,552
Agriculture and Food Research Initiative (AFRI)	10.310		34,875	322,525	357,400
<i>Pass-Through from Cornell University</i>		76482-10584		19,461	19,461
<i>Pass-Through from North Carolina State University</i>		2015-0097-03		5,770	5,770
Total - CFDA 10.310			34,875	347,756	382,631
Beginning Farmer and Rancher Development Program	10.311		137,798	432,594	570,392
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		90,000	200,290	290,290
<i>Pass-Through from Middle Tennessee State University</i>		270580		34,479	34,479
Total - CFDA 10.326			90,000	234,769	324,769
Crop Protection and Pest Management Competitive Grants Program	10.329		34,894	386,101	420,995
<i>Pass-Through from North Carolina State University</i>		2015-0085-14		10,655	10,655
<i>Pass-Through from North Carolina State University</i>		2015-0085-17		18,984	18,984
<i>Pass-Through from North Carolina State University</i>		2015-0085-27		17,003	17,003
<i>Pass-Through from Oklahoma State University</i>		2-562180-TAMUS		12,639	12,639
Total - CFDA 10.329			34,894	445,382	480,276

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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		7,113	7,113
Farm Operating Loans	10.406			39,365	39,365
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443		64,441	170,199	234,640
Risk Management Education Partnerships	10.460			31,600	31,600
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			5,100,992	5,100,992
Cooperative Extension Service	10.500		20,835	22,679,359	22,700,194
<i>Pass-Through from Auburn University</i>		15-ACES-379834-TAMU	58,578	253,146	311,724
<i>Pass-Through from Kansas State University</i>		S14020		156,303	156,303
<i>Pass-Through from Kansas State University</i>		S16052		3,240	3,240
<i>Pass-Through from Kansas State University</i>		S16132		780	780
<i>Pass-Through from Kansas State University</i>		S17124		42,617	42,617
<i>Pass-Through from Michigan State University</i>		RC103176BJ		4,570	4,570
<i>Pass-Through from University of Arkansas</i>		21665-05	4,999	3,729	8,728
<i>Pass-Through from University of Arkansas</i>		21666-10		33,839	33,839
<i>Pass-Through from University of Arkansas</i>		21666-11		10,949	10,949
<i>Pass-Through from University of Arkansas Cooperative Extension</i>		21667-15		2,753	2,753
<i>Pass-Through from University of Georgia</i>		RC296013/S001272		4,203	4,203
<i>Pass-Through from University of Georgia</i>		RE675-171/4942786		5,784	5,784
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2015-00768-05	1,758		1,758
Total - CFDA 10.500			86,170	23,201,272	23,287,442
Professional Standards for School Nutrition Employees	10.547			83,221	83,221
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		128,586,121	363,587,630	492,173,751
Child and Adult Care Food Program	10.558		391,462,934	4,166,346	395,629,280
State Administrative Expenses for Child Nutrition	10.560		10,340,190	20,811,065	31,151,255
WIC Farmers' Market Nutrition Program (FMNP)	10.572		734,590	60,999	795,589
Senior Farmers Market Nutrition Program	10.576		77,801	7,245	85,046
Child Nutrition Discretionary Grants Limited Availability	10.579		2,532,419		2,532,419
Fresh Fruit and Vegetable Program	10.582		8,869,661		8,869,661
Market Access Program	10.601			28,025	28,025
Emerging Markets Program	10.603			74,084	74,084
Forestry Research	10.652			921	921
Cooperative Forestry Assistance	10.664			4,507,913	4,507,913
Forest Legacy Program	10.676			2,453,394	2,453,394
Forest Health Protection	10.680			615,684	615,684
National Fish and Wildlife Foundation	10.683			16,910	16,910
Good Neighbor Authority	10.691			969	969

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
Rural Cooperative Development Grants	10.771			171,090	171,090
Rural Economic Development Loans and Grants	10.854			833	833
<i>Pass-Through from Mississippi State University</i>		018000 340753 27		13,239	13,239
Total - CFDA 10.854			0	14,072	14,072
Distance Learning and Telemedicine Loans and Grants	10.855			272,280	272,280
Rural Energy for America Program	10.868			48,016	48,016
Socially-Disadvantaged Groups Grant	10.871			175,768	175,768
Soil and Water Conservation	10.902			36,770	36,770
Environmental Quality Incentives Program	10.912			63,752	63,752
<i>Pass-Through from Oklahoma State University</i>		AC-5-82240 TAMU		63,752	63,752
Emergency Watershed Protection Program	10.923			904,640	904,640
Technical Agricultural Assistance	10.960			141,692	141,692
<i>Pass-Through from Inter - American Institute for Cooperation on Agriculture</i>		3-003-045218		29,203	29,203
Total - CFDA 10.960			0	170,895	170,895
Total - U.S. Department of Agriculture			546,349,274	437,133,245	983,482,519
U.S. Department of Commerce					
U.S. Department of Commerce	11.XXX	JEA		489,435	489,435
<i>Pass-Through from Aurora Flight Sciences</i>		AFS15-0386		(25)	(25)
<i>Pass-Through from Earth Networks, Inc.</i>		SA12-ENI02		282,898	282,898
Total - CFDA 11.XXX			0	772,308	772,308
Cluster Grants	11.020		57,000	57,490	114,490
Economic Development Support for Planning Organizations	11.302			1,407	1,407
Economic Development Technical Assistance	11.303			465,179	465,179
Trade Adjustment Assistance for Firms	11.313		241,199	669,826	911,025
Coastal Zone Management Administration Awards	11.419		1,059,776	1,034,473	2,094,249
<i>Pass-Through from Houston Advanced Research Center</i>		GLOMIT15-TALR1015		49,801	49,801
<i>Pass-Through from University of Michigan</i>		3003967308		8,694	8,694
Total - CFDA 11.419			1,059,776	1,092,968	2,152,744
Coastal Zone Management Estuarine Research Reserves	11.420			27,280	27,280
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427			10,964	10,964
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432			8,310	8,310
Habitat Conservation	11.463			44,870	44,870
<i>Pass-Through from Rookery Bay National Estuarine Research Reserve</i>		2014 B-WET -- MANERR		2,139	2,139
Total - CFDA 11.463			0	47,009	47,009

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Commerce (continued)					
Fisheries Disaster Relief	11.477			(158)	(158)
State and Local Implementation Grant Program	11.549			844,129	844,129
Manufacturing Extension Partnership	11.611			750,909	750,909
Science, Technology, Business and/or Education Outreach	11.620			32,410	32,410
Minority Business Resource Development	11.802			390,877	390,877
MBDA Business Center	11.805			276,194	276,194
Total - U.S. Department of Commerce			1,357,975	5,447,102	6,805,077
U.S. Department of Defense					
U.S. Department of Defense	12.XXX	12021		149,738	149,738
		HE1254-15-C-0002		3,892,664	3,892,664
		HQ0147-16-1-0002		4,983	4,983
		UTA15-000821 LTD		15,720	15,720
		DTD 05212015			
		W81K04-13-D-0008		2,348,413	2,348,413
		W81XWH-16-P-0415		30,730	30,730
<i>Pass-Through from Battelle</i>		US001-0000488328		(1,131)	(1,131)
		(1ST INCREMENT)			
<i>Pass-Through from Jacobs Engineering Group</i>		35DK5901-P14-0003		(4,324)	(4,324)
<i>Pass-Through from Northeastern University</i>		599828-78050		24,122	24,122
<i>Pass-Through from Northrop Grumman Corporation</i>		JFDMAC-UTA-		399,493	399,493
		2016TO1011PO750013			
		9724			
Total - CFDA 12.XXX			0	6,860,408	6,860,408
Procurement Technical Assistance For Business Firms	12.002			1,177,263	1,177,263
Flood Control Projects	12.106			292,479	292,479
Payments to States in Lieu of Real Estate Taxes	12.112			3,353,564	3,353,564
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113			335,225	335,225
Basic and Applied Scientific Research	12.300		292,790	2,430,531	2,723,321
<i>Pass-Through from North Carolina State University</i>		2013-0592-01		10,361	10,361
Total - CFDA 12.300			292,790	2,440,892	2,733,682
ROTC Language and Culture Training Grants	12.357				
<i>Pass-Through from Institute of International Education</i>		2603-TAMU-18-017-P02		18,631	18,631
<i>Pass-Through from Institute of International Education</i>		2603-TAMU-18-GO-		349,397	349,397
		051-PO3			
<i>Pass-Through from Institute of International Education</i>		2603-UTA-22-GO-017-		6,480	6,480
		PO2			
Total - CFDA 12.357			0	374,508	374,508
National Guard Military Operations and Maintenance (O&M) Projects	12.401			47,998,943	47,998,943

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Guard ChalleNGe Program	12.404			5,302,908	5,302,908
Military Medical Research and Development <i>Pass-Through from Baylor College of Medicine</i>	12.420	102200740	7,638	4,526 16,169	12,164 16,169
Total - CFDA 12.420			7,638	20,695	28,333
Basic Scientific Research	12.431			28,901	28,901
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		340,791	340,791
<i>Pass-Through from Institute of International Education</i>		0054-UTA-19-HIN-280- PO2		167,609	167,609
<i>Pass-Through from Institute of International Education</i>		0054-UTA-19-SSA- 280-PO3		48,473	48,473
<i>Pass-Through from Institute of International Education</i>		0054-UTA-19-SSA- 280-PO4		204,772	204,772
Total - CFDA 12.550			0	761,645	761,645
Community Investment	12.600			3,669,385	3,669,385
Economic Adjustment Assistance for State Governments	12.617		673,436	321,106	994,542
Troops to Teachers Grant Program	12.620		44,176		44,176
Basic, Applied, and Advanced Research in Science and Engineering <i>Pass-Through from Georgia Tech Research Institute</i>	12.630	D8043-S3		430,327	430,327
<i>Pass-Through from Virginia Tech University</i>		UNITE 2016		38,237	38,237
Total - CFDA 12.630			0	789,134	789,134
Air Force Defense Research Sciences Program	12.800			21,113	21,113
Language Grant Program	12.900			208,424	208,424
Mathematical Sciences Grants <i>Pass-Through from Mathematical Sciences Research Institute</i>	12.901	205901		51,082 1,000	51,082 1,000
Total - CFDA 12.901			0	52,082	52,082
Information Security Grants	12.902			21,658	21,658
GenCyber Grants Program	12.903			205,742	205,742
CyberSecurity Core Curriculum	12.905			73,619	73,619
Research and Technology Development <i>Pass-Through from University of Colorado - Boulder</i>	12.910	1552588 PO #1000490330		55,000 225,257	55,000 225,257
Total - CFDA 12.910			0	280,257	280,257
Total - U.S. Department of Defense			1,018,040	74,589,951	75,607,991

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Housing and Urban Development					
U.S. Department of Housing and Urban Development	14.XXX	002		98,313	98,313
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		200,414,856	42,253,489	242,668,345
Emergency Solutions Grant Program	14.231		8,821,658	303,684	9,125,342
Home Investment Partnerships Program	14.239		18,060,655	2,253,108	20,313,763
Housing Opportunities for Persons with AIDS	14.241		2,583,847	76,212	2,660,059
ARRA - Tax Credit Assistance Program (Recovery Act Funded)	14.258		4,011,413		4,011,413
Community Compass Technical Assistance and Capacity Building	14.259			(83,683)	(83,683)
Project Rental Assistance Demonstration (PRA Demo) Program Of Section 811 Supportive Housing for Persons with Disabilities	14.326		40,456	16,550	57,006
Fair Housing Assistance Program State and Local	14.401			1,267,338	1,267,338
Healthy Homes Production Program <i>Pass-Through from City of San Antonio</i>	14.913	TXHHP0009-11		16	16
Total - U.S. Department of Housing and Urban Development			233,932,885	46,185,027	280,117,912
U.S. Department of the Interior					
U.S. Department of the Interior	15.XXX	G13PX01349		16,800	16,800
<i>Pass-Through from Olgoonik</i>		G16PX01162		13,400	13,400
<i>Pass-Through from Olgoonik</i>		178613-011		133,009	133,009
		UTA14-000696 (LOA WHITEAKER)		11,402	11,402
Total - CFDA 15.XXX			0	174,611	174,611
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250			1,630,079	1,630,079
Abandoned Mine Land Reclamation (AMLR)	15.252			861,805	861,805
Federal Oil and Gas Royalty Management State and Tribal Coordination	15.427			(3,189)	(3,189)
GoMESA	15.435			96,937	96,937
Reclamation States Emergency Drought Relief	15.514			45,532	45,532
Fish and Wildlife Management Assistance <i>Pass-Through from National Fish and Wildlife Foundation</i>	15.608	FA 2287		61,043	61,043
				8,533	8,533
Total - CFDA 15.608			0	69,576	69,576
Coastal Wetlands Planning, Protection and Restoration	15.614			344,575	344,575
Clean Vessel Act	15.616		25,531	25,284	50,815
Sportfishing and Boating Safety Act	15.622		595,492	2,829	598,321
North American Wetlands Conservation Fund	15.623			7,025	7,025
Enhanced Hunter Education and Safety	15.626			230,377	230,377

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of the Interior (continued)					
Coastal	15.630			20,858	20,858
Partners for Fish and Wildlife	15.631		197,956	162,496	360,452
State Wildlife Grants	15.634			479,968	479,968
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1632		12,094	12,094
Total - CFDA 15.634			0	492,062	492,062
National Fish and Wildlife Foundation	15.663			48,891	48,891
<i>Pass-Through from National Fish and Wildlife Foundation</i>		FA A057		27,326	27,326
Total - CFDA 15.663			0	76,217	76,217
Coastal Impact Assistance	15.668		6,115,816	13,555,233	19,671,049
<i>Pass-Through from Brazoria County</i>		14-279-000-8447		100,000	100,000
<i>Pass-Through from Cameron County</i>		13-333-004-9203		3,699	3,699
<i>Pass-Through from Jefferson County</i>		13-242-000-7440		2,696,283	2,696,283
Total - CFDA 15.668			6,115,816	16,355,215	22,471,031
Cooperative Landscape Conservation	15.669				
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		2015-01		3,220	3,220
U.S. Geological Survey Research and Data Collection	15.808			537	537
National Geospatial Program: Building The National Map	15.817			401,966	401,966
National Climate Change and Wildlife Science Center	15.820				
<i>Pass-Through from University of Oklahoma</i>		2016-39		59,806	59,806
Historic Preservation Fund Grants-In-Aid	15.904		180,919	1,254,177	1,435,096
Outdoor Recreation Acquisition, Development and Planning	15.916		1,374,868	15,707	1,390,575
Native American Graves Protection and Repatriation Act	15.922			17,705	17,705
Cooperative Research and Training Programs - Resources of the National Park System	15.945			40,118	40,118
Route 66 Corridor Preservation	15.958			265	265
National Ground-Water Monitoring Network	15.980			15,248	15,248
Total - U.S. Department of the Interior			8,490,582	22,401,038	30,891,620
U.S. Department of Justice					
U.S. Department of Justice	16.XXX	M1403201 02-425432		282	282
<i>Pass-Through from City of Austin</i>		UTA13-000887		399	399
Total - CFDA 16.XXX			0	681	681
Sexual Assault Services Formula Program	16.017		711,706		711,706
OVW Research and Evaluation Program	16.026			57,101	57,101
Law Enforcement Assistance FBI Advanced Police Training	16.300			375,034	375,034
Services for Trafficking Victims	16.320				
<i>Pass-Through from Refugee Services of Texas</i>		UTA14-001372		(40)	(40)
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		2,175	72,995	75,170

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Justice (continued)					
OVW Technical Assistance Initiative	16.526			63,576	63,576
Juvenile Justice and Delinquency Prevention	16.540		2,757,658	115,540	2,873,198
Missing Children's Assistance <i>Pass-Through from Fox Valley Technical College</i>	16.543	D2017009003	49,789	357,522 24,938	407,311 24,938
Total - CFDA 16.543			49,789	382,460	432,249
National Institute of Justice Research, Evaluation, and Development Project Grants <i>Pass-Through from City University of New York</i>	16.560	2016-CK-BX-0013		2,407,057 34,066	2,407,057 34,066
Total - CFDA 16.560			0	2,441,123	2,441,123
National Institute of Justice W.E.B. DuBois Fellowship Program	16.566		20,173	26,887	47,060
Crime Victim Assistance	16.575		82,513,001	3,704,199	86,217,200
Crime Victim Compensation	16.576			19,689,099	19,689,099
Crime Victim Assistance/Discretionary Grants	16.582		419,711	419,160	838,871
Violence Against Women Formula Grants	16.588		7,836,228	740,801	8,577,029
Residential Substance Abuse Treatment for State Prisoners	16.593		906,042		906,042
Corrections Training and Staff Development	16.601			22,864	22,864
Corrections Technical Assistance/Clearinghouse	16.603			52,920	52,920
State Criminal Alien Assistance Program	16.606			9,078,577	9,078,577
Public Safety Partnership and Community Policing Grants	16.710			27,502	27,502
Juvenile Mentoring Program <i>Pass-Through from National 4-H Council</i> <i>Pass-Through from National 4-H Council</i>	16.726	SRS REF #M1600936 SRS REF M1701678		128,832 105,300	128,832 105,300
Total - CFDA 16.726			0	234,132	234,132
Special Data Collections and Statistical Studies	16.734			16,583	16,583
PREA Program: Demonstration Projects to Establish 'Zero Tolerance' Cultures for Sexual Assault in Correctional Facilities	16.735			81,728	81,728
Edward Byrne Memorial Justice Assistance Grant Program	16.738		10,475,848	6,514,220	16,990,068
DNA Backlog Reduction Program	16.741			1,533,479	1,533,479
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742		75,520	384,928	460,448
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745			82,908	82,908
Support for Adam Walsh Act Implementation Grant Program	16.750			14,404	14,404
Edward Byrne Memorial Competitive Grant Program	16.751		1,000,000	217,463	1,217,463
Harold Rogers Prescription Drug Monitoring Program	16.754			250,000	250,000
Second Chance Act Reentry Initiative	16.812			(4,246)	(4,246)
Vision 21	16.826			100,027	100,027
Equitable Sharing Program	16.922			2,561,733	2,561,733
Total - U.S. Department of Justice			106,767,851	49,257,838	156,025,689

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Labor					
Labor Force Statistics	17.002			3,510,893	3,510,893
Compensation and Working Conditions	17.005			238,686	238,686
Unemployment Insurance	17.225		46,062	2,824,930,865	2,824,976,927
Senior Community Service Employment Program	17.235		4,585,175	59,535	4,644,710
Trade Adjustment Assistance	17.245		11,485,611	3,871,387	15,356,998
WIOA Pilots, Demonstrations, and Research Projects	17.261			552,784	552,784
Incentive Grants - WIA Section 503	17.267			25	25
H-1B Job Training Grants	17.268			13,917	13,917
Reentry Employment Opportunities <i>Pass-Through from Change Happens</i>	17.270	109868		32,381	32,381
Work Opportunity Tax Credit Program (WOTC)	17.271			1,087,425	1,087,425
Temporary Labor Certification for Foreign Workers	17.273		7,146	875,467	882,613
YouthBuild <i>Pass-Through from Ser - Jobs for Progress of the Texas Gulf Coast</i>	17.274	111061		7,635	7,635
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277		9,808,907	287,096	10,096,003
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280		645,724		645,724
WIOA Dislocated Worker National Reserve Technical Assistance and Training	17.281			290,365	290,365
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants <i>Pass-Through from Corporation for A Skilled Workforce</i>	17.282	2015-21		498,608	498,608
				152,665	152,665
Total - CFDA 17.282			0	651,273	651,273
Apprenticeship USA Grants	17.285		691	213,774	214,465
Occupational Safety and Health Susan Harwood Training Grants	17.502		10,766	80,815	91,581
Consultation Agreements	17.504			2,762,236	2,762,236
Mine Health and Safety Grants	17.600			388,048	388,048
Total - U.S. Department of Labor			26,590,082	2,839,854,607	2,866,444,689
U.S. Department of State					
U.S. Department of State <i>Pass-Through from Organization of American States</i>	19.XXX	PAREDES SBDC IN CARI		237,260	237,260
Academic Exchange Programs - Undergraduate Programs <i>Pass-Through from International Research and Exchanges Board</i>	19.009	S-ECAGD-16-CA-1146		130,847	130,847

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 State (continued)					
<i>Pass-Through from International Resources Group, Ltd</i>		FY16-YALI-BE-UTA-03		41,360	41,360
<i>Pass-Through from International Resources Group, Ltd</i>		FY17-YALI-BE-UTA-04		126,690	126,690
<i>Pass-Through from Iowa State University</i>		404-28-63B		10,783	10,783
<i>Pass-Through from Partners of the Americas</i>		CBG-2015-R1-14		21,740	21,740
Total - CFDA 19.009			0	331,420	331,420
Academic Exchange Programs - Special Academic Exchange Programs	19.011			18,141	18,141
Environmental and Scientific Partnerships and Programs	19.017			102,508	102,508
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		18,532	18,532
<i>Pass-Through from Institute of International Education</i>		FS17-UT-IVSP-4117-93017		90,178	90,178
<i>Pass-Through from Meridian International Center</i>		SIZ-100-15-CA023		47,828	47,828
Total - CFDA 19.021			0	156,538	156,538
Public Diplomacy Programs	19.040			188,714	188,714
<i>Pass-Through from United States - Japan Bridging Foundation</i>		YU - TEAMUP FY17		7,712	7,712
Total - CFDA 19.040			0	196,426	196,426
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415				
<i>Pass-Through from Meridian International Center</i>		UTA16-000720		72,140	72,140
<i>Pass-Through from Meridian International Center</i>		UTA16-001355		91,274	91,274
Total - CFDA 19.415			0	163,414	163,414
Public Diplomacy Programs for Afghanistan and Pakistan	19.501			418,790	418,790
Trans-National Crime	19.705			18,112	18,112
Bureau of Western Hemisphere Affairs (WHA) Grant Programs (including Energy and Climate Partnership for the Americas)	19.750		15,887	240,501	256,388
<i>Pass-Through from America_s Small Business Development Center</i>		IED-6824-2016		36,123	36,123
<i>Pass-Through from Center for Promotion of the Micro and Small Business in Central America</i>		S-LMAQM-16-GR-1302		133,086	133,086
Total - CFDA 19.750			15,887	409,710	425,597
AEECA/ESF PD Programs	19.900				
<i>Pass-Through from Eurasia Foundation</i>		280660		10,620	10,620
<i>Pass-Through from Free University of Tbilisi</i>		GN0007365		15,792	15,792
Total - CFDA 19.900			0	26,412	26,412
Total - U.S. Department of State			15,887	2,078,731	2,094,618
U.S. Department of Transportation					
U.S. Department of Transportation	20.XXX	HSTS0213HSLR256		1,662,173	1,662,173
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA15-001174		127,340	127,340
Total - CFDA 20.XXX			0	1,789,513	1,789,513

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Transportation (continued)					
Airport Improvement Program	20.106			37,743,681	37,743,681
Air Transportation Centers of Excellence	20.109		88	6,262	6,350
Highway Research and Development Program	20.200			250,886	250,886
Highway Training and Education	20.215			183,296	183,296
Motor Carrier Safety Assistance	20.218			5,601,619	5,601,619
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223			1,108,619,061	1,108,619,061
Performance and Registration Information Systems Management	20.231			573,901	573,901
Border Enforcement Grants	20.233			17,805,499	17,805,499
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237			302,076	302,076
Railroad Development	20.314			440,127	440,127
High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	20.319			439,079	439,079
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505		1,103,985	839,926	1,943,911
Formula Grants for Rural Areas	20.509		36,309,353	2,535,920	38,845,273
Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	20.528			317,072	317,072
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	20.614			220,944	220,944
Pipeline Safety Program State Base Grant	20.700			7,078,945	7,078,945
University Transportation Centers Program	20.701			14,344	14,344
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		237149		7,440	7,440
<i>Pass-Through from Washington State University</i>		237154		10,708	10,708
Total - CFDA 20.701			0	32,492	32,492
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703			1,761,413	1,761,413
U.S. Merchant Marine Academy	20.807			639,066	639,066
National Infrastructure Investments	20.933		6,384,561	(22,690)	6,361,871
Total - U.S. Department of Transportation			43,797,987	1,187,158,088	1,230,956,075
U.S. Department of the Treasury					
U.S. Department of the Treasury	21.XXX	9101036151 TX2273200		878	878
Total - CFDA 21.XXX			0	136,144	136,144
Low Income Taxpayer Clinics	21.008			167,921	167,921
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009			58,554	58,554

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Treasury (continued)					
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015			695,473	695,473
<i>Pass-Through from Florida Institute of Technology</i>		4710-1126-00 PO# 7000035377		7,786	7,786
Total - CFDA 21.015			0	703,259	703,259
Total - U.S. Department of the Treasury			0	1,066,756	1,066,756
Office of Personnel Management					
Intergovernmental Personnel Act (IPA) Mobility Program	27.011			218,169	218,169
Total - Office of Personnel Management			0	218,169	218,169
General Services Administration					
Donation of Federal Surplus Personal Property	39.003		11,782,730	219,790	12,002,520
Election Reform Payments	39.011			1,482,281	1,482,281
Total - General Services Administration			11,782,730	1,702,071	13,484,801
Library of Congress					
Library of Congress	42.XXX	UTA15-001224		47,805	47,805
Total - Library of Congress			0	47,805	47,805
National Aeronautics and Space Administration					
National Aeronautics and Space Administration	43.XXX	NNX16AC91A		373,430	373,430
		NNX16TG03P		571	571
<i>Pass-Through from Caci National Security Solutions, Inc.</i>		2008-SC-4-0136		9,721	9,721
<i>Pass-Through from Caci National Security Solutions, Inc.</i>		P000026405		69,118	69,118
<i>Pass-Through from Caci National Security Solutions, Inc.</i>		SRS REF M1503131		185,815	185,815
<i>Pass-Through from Space Telescope Science Institute</i>		HST-EO-13819001-A		3,962	3,962
<i>Pass-Through from Space Telescope Science Institute</i>		HST-HF-51364001-A (YR 1 INCR)		96,639	96,639
<i>Pass-Through from Wyle Laboratories</i>		NNJ15HK11B		34,683	34,683
Total - CFDA 43.XXX			0	773,939	773,939
Science	43.001			361,316	361,316
<i>Pass-Through from Astronomical Society of the Pacific</i>		2017-CQ03		4,055	4,055
		NNX17AD20A			
<i>Pass-Through from Southern Illinois University - Edwardsville</i>		761582-006 PO #121657		8,221	8,221
Total - CFDA 43.001			0	373,592	373,592
Education	43.008		284,513	798,418	1,082,931

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
National Aeronautics and Space Administration (continued)					
Space Technology	43.012			454,758	454,758
Total - National Aeronautics and Space Administration			284,513	2,400,707	2,685,220
National Endowment for the Humanities					
National Endowment for the Humanities	45.XXX	PC-15-8-029 001 PC-15-8-029 002		13,629 215	13,629 215
Total - CFDA 45.XXX			0	13,844	13,844
Promotion of the Arts Grants to Organizations and Individuals <i>Pass-Through from Arts Midwest</i>	45.024	00017843		111,685 15,841	111,685 15,841
Total - CFDA 45.024			0	127,526	127,526
Promotion of the Arts Partnership Agreements	45.025			970,100	970,100
Promotion of the Humanities Federal/State Partnership <i>Pass-Through from Humanities Texas</i> <i>Pass-Through from Humanities Texas</i>	45.129	2016-5028 2016-5045 2016-5078 2016-5091 2016-5098 2016-5152 2017-5138 8000002605		2,000 2,500 708 1,888 1,500 844 4,000 3,000	2,000 2,500 708 1,888 1,500 844 4,000 3,000
Total - CFDA 45.129			0	16,440	16,440
Promotion of the Humanities Challenge Grants	45.130			12,900	12,900
Promotion of the Humanities Division of Preservation and Access	45.149			111,818	111,818
Promotion of the Humanities Fellowships and Stipends	45.160			35,838	35,838
Promotion of the Humanities Research <i>Pass-Through from Humanities Texas</i>	45.161	2016-4986		500	500
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162			120,663	120,663
Promotion of the Humanities Professional Development	45.163			54,143	54,143
Promotion of the Humanities Office of Digital Humanities <i>Pass-Through from University of New Mexico</i>	45.169	107016-87		39,419 (457)	39,419 (457)
Total - CFDA 45.169			0	38,962	38,962
Museums for America	45.301			80,820	80,820
21st Century Museum Professionals	45.307			115	115
Grants to States	45.310		2,517,318	8,300,755	10,818,073
Laura Bush 21st Century Librarian Program	45.313			96,195	96,195
Peace Corps' Global Health and PEPFAR Initiative Program	45.400			9,255	9,255
Total - National Endowment for the Humanities			2,517,318	9,989,874	12,507,192

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
National Science Foundation					
National Science Foundation	47.XXX	CMMI-1443515		46,920	46,920
		ECCS-1530530 (IPA)		80,184	80,184
		IPA 2016-2017		124,740	124,740
		LPA-1357583 (IPA)		3,383	3,383
<i>Pass-Through from Lockheed Martin Corporation</i>		NSFDACS1219442		3,749,866	3,749,866
Total - CFDA 47.XXX			0	4,005,093	4,005,093
Engineering Grants	47.041		247,158	770,663	1,017,821
<i>Pass-Through from Tietronix Software, Inc.</i>		W911NF-14-C-0055		2,765	2,765
Total - CFDA 47.041			247,158	773,428	1,020,586
Mathematical and Physical Sciences	47.049			608,222	608,222
<i>Pass-Through from American Psychological Association</i>		8000002414		42,310	42,310
<i>Pass-Through from California Institute of Technology</i>		68D-1094595		47,002	47,002
<i>Pass-Through from Michigan State University</i>		RC100197UTA : P		26,624	26,624
Total - CFDA 47.049			0	724,158	724,158
Geosciences	47.050			88,515	88,515
<i>Pass-Through from Austin Community College</i>		UTA16-000603 PO # B0012989		23,537	23,537
Total - CFDA 47.050			0	112,052	112,052
Computer and Information Science and Engineering	47.070		6,440	1,102,387	1,108,827
<i>Pass-Through from Harvard University</i>		BL-4812517-UTA PO #1872855		183,341	183,341
<i>Pass-Through from University of California - San Diego</i>		77844080 PO# S9001481		287,091	287,091
<i>Pass-Through from University of Illinois - Champaign</i>		2015-05845-05		84,464	84,464
Total - CFDA 47.070			6,440	1,657,283	1,663,723
Biological Sciences	47.074			205,499	205,499
<i>Pass-Through from J. Craig Venter Institute</i>		JCVI-13-006 001		4,415	4,415
Total - CFDA 47.074			0	209,914	209,914
Social, Behavioral, and Economic Sciences	47.075			123,756	123,756
<i>Pass-Through from Arizona State University</i>		270520		36,305	36,305
<i>Pass-Through from Ohio State University</i>		60051769 PO #RF01436934		23,639	23,639
Total - CFDA 47.075			0	183,700	183,700
Education and Human Resources	47.076		31,277	13,670,227	13,701,504
<i>Pass-Through from Collin College</i>		GN0005517		88,862	88,862
<i>Pass-Through from Howard University</i>		0007964- 1000046721/47257		7,166	7,166
<i>Pass-Through from Rochester Institute of Technology</i>		47 000		73,715	73,715
<i>Pass-Through from Stony Brook University</i>		1613217		15,967	15,967
<i>Pass-Through from Tennessee Technological University</i>		DUE-1303441		1,069	1,069
<i>Pass-Through from Twin Cities Public Television Incorporated</i>		#21301		2,360	2,360
<i>Pass-Through from University of Central Florida</i>		61036046		50,952	50,952
<i>Pass-Through from University of Massachusetts Dartmouth</i>		25423		14,973	14,973

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
National Science Foundation (continued)					
<i>Pass-Through from Virginia Tech University</i>		479449-19433		314,068	314,068
Total - CFDA 47.076			31,277	14,239,359	14,270,636
Office of International Science and Engineering	47.079			54,429	54,429
Total - National Science Foundation			284,875	21,959,416	22,244,291
Small Business Administration					
Small Business Administration	59.XXX	SBAHQ-15-Q-0033 UTA16-001160		12,934 46,792	12,934 46,792
Total - CFDA 59.XXX			0	59,726	59,726
Small Business Development Centers	59.037		1,374,346	4,696,255	6,070,601
Veterans Outreach Program	59.044			537,836	537,836
Federal and State Technology Partnership Program	59.058			52,929	52,929
State Trade Expansion	59.061		96,325	227,637	323,962
Total - Small Business Administration			1,470,671	5,574,383	7,045,054
U.S. Department of Veterans Affairs					
U.S. Department of Veterans Affairs	64.XXX	112233 464 511 00 480547 500098 580 D62152 580 D72098 580-D-62053 580-D-62180 C112112 ETHICS ULES- SPIKE/PO# 101C60420		19,340 17,412 739,064 29,312 (588) 2,725 (2,380) 627 7,477 16,419	19,340 17,412 739,064 29,312 (588) 2,725 (2,380) 627 7,477 16,419
<i>Pass-Through from University of Pittsburgh</i>		0033424-10/VA791-12- C-002		3,643	3,643
Total - CFDA 64.XXX			0	833,051	833,051
Grants to States for Construction of State Home Facilities	64.005			4,034,350	4,034,350
Veterans State Nursing Home Care	64.015			60,552,993	60,552,993
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034			6,507	6,507
Veterans Transportation Program	64.035			69,615	69,615
Burial Expenses Allowance for Veterans	64.101			1,032,453	1,032,453
Veterans Information and Assistance	64.115			16,586	16,586
All-Volunteer Force Educational Assistance	64.124			1,069,736	1,069,736
Veterans Cemetery Grants Program	64.203			506,934	506,934
Total - U.S. Department of Veterans Affairs			0	68,122,225	68,122,225

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
Environmental Protection Agency					
Air Pollution Control Program Support	66.001			234,587	234,587
State Indoor Radon Grants	66.032			39,757	39,757
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		15,768	2,019,645	2,035,413
Internships, Training and Workshops for the Office of Air and Radiation	66.037			83,452	83,452
Congressionally Mandated Projects	66.202			30,561	30,561
Multipurpose Grants to States and Tribes	66.204			157,193	157,193
Water Pollution Control State, Interstate, and Tribal Program Support	66.419		998,164	2,152,733	3,150,897
State Underground Water Source Protection	66.433			138,418	138,418
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436				
<i>Pass-Through from Rural Community Assistance Partnership</i>		SRS REF #M1700643		4,407	4,407
Water Quality Management Planning	66.454		546,706	178,897	725,603
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1627		16,436	16,436
Total - CFDA 66.454			546,706	195,333	742,039
National Estuary Program	66.456		296,687	94,535	391,222
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1711		55,490	55,490
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1727		19,433	19,433
Total - CFDA 66.456			296,687	169,458	466,145
Nonpoint Source Implementation Grants	66.460		1,129,231	1,168,741	2,297,972
Beach Monitoring and Notification Program Implementation Grants	66.472		(49,668)	376,358	326,690
Science To Achieve Results (STAR) Fellowship Program	66.514			8,920	8,920
P3 Award: National Student Design Competition for Sustainability	66.516			5,112	5,112
Performance Partnership Grants	66.605		821,430	27,210,667	28,032,097
Environmental Information Exchange Network Grant Program and Related Assistance	66.608		134,040	192,849	326,889
Consolidated Pesticide Enforcement Cooperative Agreements	66.700			901,786	901,786
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707			273,639	273,639
Pollution Prevention Grants Program	66.708			238,824	238,824
Multi-Media Capacity Building Grants for States and Tribes	66.709			36,705	36,705
Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	66.716		14,497	3,769	18,266
Source Reduction Assistance	66.717			28,260	28,260
Superfund State, Political Subdivision, and Indian Tribe Site- Specific Cooperative Agreements	66.802			576,361	576,361

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
Environmental Protection Agency (continued)					
Underground Storage Tank Prevention, Detection and Compliance Program	66.804			1,240,566	1,240,566
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805			2,599,504	2,599,504
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809			314,037	314,037
State and Tribal Response Program Grants	66.817			653,970	653,970
Total - Environmental Protection Agency			3,906,855	41,055,612	44,962,467
Nuclear Regulatory Commission					
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008			95,067	95,067
Total - Nuclear Regulatory Commission			0	95,067	95,067
U.S. Department of Energy					
U.S. Department of Energy	81.XXX				
<i>Pass-Through from Sandia National Laboratories</i>		1536119		1,357	1,357
<i>Pass-Through from Sandia National Laboratories</i>		1774678		24,299	24,299
<i>Pass-Through from United States Energy Association</i>		USEA E-2017-630-01		8,051	8,051
Total - CFDA 81.XXX			0	33,707	33,707
State Energy Program	81.041		436,805	16,869,322	17,306,127
Weatherization Assistance for Low-Income Persons	81.042		4,642,207	288,961	4,931,168
Office of Science Financial Assistance Program	81.049			63,482	63,482
Fossil Energy Research and Development	81.089			215,933	215,933
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106			318,890	318,890
Defense Nuclear Nonproliferation Research	81.113				
<i>Pass-Through from Consortium for Nonproliferation Enabling Capabilities</i>		2014-0501-09-F1		45,269	45,269
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117			129,417	129,417
State Energy Program Special Projects	81.119			92,812	92,812
Nuclear Energy Research, Development and Demonstration	81.121			173,271	173,271
Minority Economic Impact	81.137			35,547	35,547
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214		384,767	880,292	1,265,059
Total - U.S. Department of Energy			5,463,779	19,146,903	24,610,682

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Education					
U.S. Department of Education <i>Pass-Through from Austin Independent School District</i>	84.XXX	DC-AM603		164,981	164,981
Adult Education - Basic Grants to States	84.002		53,096,757	2,636,653	55,733,410
Title I Grants to Local Educational Agencies	84.010		1,370,570,456	12,894,755	1,383,465,211
Migrant Education State Grant Program	84.011		54,961,549	2,147,906	57,109,455
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		1,236	2,225,919	2,227,155
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			2,064,768	2,064,768
Overseas Programs - Group Projects Abroad	84.021			100,492	100,492
Overseas Programs - Doctoral Dissertation Research Abroad	84.022			1,450	1,450
Higher Education Institutional Aid <i>Pass-Through from Alamo Community College District</i> <i>Pass-Through from Austin Community College</i> <i>Pass-Through from El Paso Community College</i>	84.031	P031C110039 UTA15-001240 CC004940 21129- F21129	1,001,834	24,493,174	25,495,008
<i>Pass-Through from Laredo Community College</i>		P031S120095		76,242	76,242
				60,165	60,165
				67,290	67,290
				393,841	393,841
Total - CFDA 84.031			1,001,834	25,090,712	26,092,546
Federal Family Education Loans (FFELP)	84.032L			6,764,474	6,764,474
Career and Technical Education -- Basic Grants to States	84.048		79,308,335	10,224,480	89,532,815
Fund for the Improvement of Postsecondary Education <i>Pass-Through from Georgia State University</i>	84.116	SP00012139-10		159,420	159,420
Minority Science and Engineering Improvement	84.120		129,993	957,830	1,087,823
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126		7,031,324	251,045,365	258,076,689
Rehabilitation Long-Term Training	84.129			1,199,921	1,199,921
National Institute on Disability and Rehabilitation Research	84.133			197,305	197,305
Migrant Education High School Equivalency Program	84.141			1,383,134	1,383,134
Migrant Education Coordination Program	84.144			(633)	(633)
Migrant Education College Assistance Migrant Program	84.149		381,654	1,388,736	1,770,390
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177			544,779	544,779
Special Education-Grants for Infants and Families	84.181		42,741,956	(2,481,432)	40,260,524
School Safety National Activities (formerly, Safe and Drug- Free Schools and Communities-National Programs)	84.184			(7,528)	(7,528)
Byrd Honors Scholarships	84.185		(6,906)		(6,906)
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187			1,527,692	1,527,692

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Education (continued)					
Bilingual Education_Professional Development	84.195			238,762	238,762
Education for Homeless Children and Youth	84.196		6,013,014		6,013,014
<i>Pass-Through from Education Service Center Region 10</i>		UTA15-001108		4,595	4,595
<i>Pass-Through from Education Service Center Region 10</i>		UTA16-001012		716,118	716,118
Total - CFDA 84.196			6,013,014	720,713	6,733,727
Graduate Assistance in Areas of National Need	84.200			998,805	998,805
Centers for International Business Education	84.220			294,089	294,089
Language Resource Centers	84.229			249,487	249,487
Eisenhower Professional Development State Grants	84.281		(154)		(154)
Charter Schools	84.282		6,355,824	846,126	7,201,950
Twenty-First Century Community Learning Centers	84.287		97,896,786	6,231,373	104,128,159
State Grants for Innovative Programs	84.298		(359)		(359)
Education Research, Development and Dissemination	84.305			8,484	8,484
<i>Pass-Through from Rand Corporation</i>		19519581425	493,500	87,592	581,092
Total - CFDA 84.305			493,500	96,076	589,576
Research in Special Education	84.324			31,773	31,773
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			3,229,915	3,229,915
<i>Pass-Through from Vanderbilt University</i>		3122-018447		151,535	151,535
Total - CFDA 84.325			0	3,381,450	3,381,450
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326			735,912	735,912
<i>Pass-Through from Wested</i>		S000274120		423,956	423,956
Total - CFDA 84.326			0	1,159,868	1,159,868
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	84.330		230,815	588,049	818,864
Comprehensive School Reform Demonstration	84.332		(13,235)		(13,235)
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		1,861,281	13,193,243	15,054,524
<i>Pass-Through from San Antonio Independent School District</i>		PO174509/PO179309		178,851	178,851
Total - CFDA 84.334			1,861,281	13,372,094	15,233,375
Child Care Access Means Parents in School	84.335			750,597	750,597
Class Size Reduction	84.340		(940)		(940)
Transition to Teaching	84.350			279,694	279,694
Credit Enhancement for Charter School Facilities	84.354			11,842,295	11,842,295
Rural Education	84.358		6,502,966	292,854	6,795,820
English Language Acquisition State Grants	84.365		105,221,880	5,464,050	110,685,930
<i>Pass-Through from Education Service Center Region 13</i>		TITLE III PART A LEP		524	524
Total - CFDA 84.365			105,221,880	5,464,574	110,686,454

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Education (continued)					
Mathematics and Science Partnerships	84.366		8,284,417	5,381,534	13,665,951
<i>Pass-Through from Alice Independent School District</i>		16-0602		1,173	1,173
<i>Pass-Through from El Paso Independent School District</i>		PO# 1623856		5,282	5,282
<i>Pass-Through from San Diego Independent School District</i>		16-0603		728	728
Total - CFDA 84.366			8,284,417	5,388,717	13,673,134
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367		176,038,391	8,037,897	184,076,288
<i>Pass-Through from National Institute for Excellence in Teaching</i>		: U367D130024		857,763	857,763
<i>Pass-Through from National Institute for Excellence in Teaching</i>		: U367D150013		938,325	938,325
<i>Pass-Through from National Writing Corporation</i>		8000002552		12,133	12,133
<i>Pass-Through from National Writing Project</i>		02-TX11-SEED2016- ILI		5,607	5,607
<i>Pass-Through from National Writing Project</i>		03-TX12-SEED2012		(368)	(368)
<i>Pass-Through from National Writing Project</i>		03-TX12-SEED2016- ILI		3,774	3,774
<i>Pass-Through from National Writing Project</i>		04-TX13-SEED2016		14,357	14,357
<i>Pass-Through from National Writing Project</i>		04-TX13-SEED2017- CRWPAI		12,457	12,457
<i>Pass-Through from National Writing Project</i>		06-TX17-SEED2012		2,384	2,384
<i>Pass-Through from National Writing Project</i>		06-TX17-SEED2016		15,540	15,540
<i>Pass-Through from National Writing Project</i>		06-TX17-SEED2016- ILI		5,988	5,988
<i>Pass-Through from National Writing Project</i>		09-TX19-SEED2016- ILI/09-TX19- SEED2016		13,909	13,909
<i>Pass-Through from National Writing Project</i>		09-TX19-SEED2017- CRWPPD		518	518
<i>Pass-Through from National Writing Project</i>		280630		18,737	18,737
Total - CFDA 84.367			176,038,391	9,939,021	185,977,412
Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments)	84.368			1,305,605	1,305,605
Grants for State Assessments and Related Activities	84.369		3,797,670	19,678,342	23,476,012
Striving Readers/Comprehensive Literacy Development	84.371		30,893,960	1,773,247	32,667,207
Statewide Longitudinal Data Systems	84.372			2,245,442	2,245,442
School Improvement Grants	84.377		27,983,730	2,310,647	30,294,377
School Improvement Grants, Recovery Act	84.388		(45)		(45)
Special Education Grants to States, Recovery Act	84.391		(184)		(184)
Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	84.411			10,026	10,026
<i>Pass-Through from University of Georgia</i>		435220		43,800	43,800
<i>Pass-Through from University of Georgia</i>		435801		100,000	100,000
Total - CFDA 84.411			0	153,826	153,826
Student Support and Academic Enrichment Program	84.424		3,435,788	1,450,888	4,886,676
Troops to Teachers	84.815		47,666		47,666
Total - U.S. Department of Education			2,084,260,959	411,315,593	2,495,576,552

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
Scholarship Foundations					
Fellowship Program	85.802			28,000	28,000
Total - Scholarship Foundations			0	28,000	28,000
Consumer Product Safety Commission					
Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component Program	87.051		4,278,035	3,072,536	7,350,571
Total - Consumer Product Safety Commission			4,278,035	3,072,536	7,350,571
National Archives and Records Administration					
National Historical Publications and Records Grants	89.003			2,204,378	2,204,378
Total - National Archives and Records Administration			0	2,204,378	2,204,378
U.S. Department of Health and Human Services					
U.S. Department of Health and Human Services	93.XXX	200-2016-M-89903		11,448	11,448
		529-14-0029-00001		186,546	186,546
		5NU2GGH001640-03		19,887	19,887
		CM5UTMB13		20,288	20,288
		CMSSTV16		25,186	25,186
<i>Pass-Through from American International Health Alliance</i>		U97HA0412803	2,193	38,459	40,652
<i>Pass-Through from Association of University Ctrs on Disabilities</i>		6NU380T000140-05-02		603	603
<i>Pass-Through from Center for Public Service Communications</i>		2016-21		5,233	5,233
<i>Pass-Through from Harris County Hospital District</i>		GA-05565		4,483	4,483
<i>Pass-Through from Memorial Hermann - Texas Medical Center</i>		CMSTGCGNE15		614,876	614,876
<i>Pass-Through from Memorial Hermann Health System</i>		CMSUTHSC17		815,226	815,226
<i>Pass-Through from Tmf Health Quality Institute</i>		UTA16-000965		1,011	1,011
<i>Pass-Through from University of Michigan</i>		3003601230		2,047	2,047
<i>Pass-Through from University of Pittsburgh</i>		0033424-8/VA791-12-C		12,876	12,876
<i>Pass-Through from Wyle Laboratories</i>		NNJ15HK11B		4,513,303	4,513,303
Total - CFDA 93.XXX			2,193	6,271,472	6,273,665
Medical Reserve Corps Small Grant Program	93.008				
<i>Pass-Through from Naccho</i>		MRC 16 - 2444		12,315	12,315
<i>Pass-Through from Naccho</i>		MRC17-2444		230	230
Total - CFDA 93.008			0	12,545	12,545
Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission	93.018			286,833	286,833
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		29,741	161,214	190,955
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042		107,513	491,274	598,787
<i>Pass-Through from City of Houston Health and Human Services</i>		4600009795		471,839	471,839
Total - CFDA 93.042			107,513	963,113	1,070,626

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		114,593	1,122,947	1,237,540
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		17,037	2,885	19,922
Alzheimer's Disease Demonstration Grants to States	93.051		112,208		112,208
National Family Caregiver Support, Title III, Part E	93.052		750,858	6,873,843	7,624,701
Training in General, Pediatric, and Public Health Dentistry	93.059			1,260,926	1,260,926
Public Health Emergency Preparedness	93.069		339,945	802,234	1,142,179
Medicare Enrollment Assistance Program	93.071		825,138	629,199	1,454,337
Lifespan Respite Care Program	93.072		178,904	291,174	470,078
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073		43,468	892,873	936,341
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		31,290,174	22,738,693	54,028,867
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079			59,215	59,215
Blood Disorder Program: Prevention, Surveillance, and Research	93.080		236,462	9,139	245,601
<i>Pass-Through from American Thrombosis and Hemostasis Network</i>		5NU27DD001155-02-00		159,592	159,592
Total - CFDA 93.080			236,462	168,731	405,193
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084			115,575	115,575
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086			890,693	890,693
<i>Pass-Through from Avance, Inc.</i>		UTA16-000779		35,628	35,628
<i>Pass-Through from The Parenting Center</i>		GN7511		1,158	1,158
Total - CFDA 93.086			0	927,479	927,479
Advancing System Improvements for Key Issues in Women's Health	93.088			289,850	289,850
Guardianship Assistance	93.090			7,285,038	7,285,038
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092				
<i>Pass-Through from Change Happens</i>		110118		66,650	66,650
<i>Pass-Through from Change Happens</i>		90AK0022		(681)	(681)
<i>Pass-Through from Etr Associates</i>		90AP2674-02		20,668	20,668
Total - CFDA 93.092			0	86,637	86,637
Food and Drug Administration Research	93.103		35,919	1,249,526	1,285,445
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104				
<i>Pass-Through from Center for Health Care Services</i>		UTA17-000019		38,300	38,300

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Central Plains Center</i>		UTA15-000948		93,220	93,220
Total - CFDA 93.104			0	131,520	131,520
Area Health Education Centers	93.107		1,002,012	905,023	1,907,035
Health Education Assistance Loan Program (HEAL)	93.108			2,861,293	2,861,293
Maternal and Child Health Federal Consolidated Programs	93.110		267,470	388,850	656,320
<i>Pass-Through from Organization of Teratology Informations</i>		UG4MC27861		20,088	20,088
Total - CFDA 93.110			267,470	408,938	676,408
Environmental Health	93.113			10,942	10,942
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		3,755,012	3,165,704	6,920,716
Oral Diseases and Disorders Research	93.121			23,257	23,257
Nurse Anesthetist Traineeship	93.124			23,296	23,296
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130			262,045	262,045
Injury Prevention and Control Research and State and Community Based Programs	93.136		1,809,091	292,243	2,101,334
<i>Pass-Through from City of Houston</i>		1NH28CE0023950100		77,961	77,961
Total - CFDA 93.136			1,809,091	370,204	2,179,295
NIEHS Hazardous Waste Worker Health and Safety Training	93.142			829	829
<i>Pass-Through from Indiana University</i>		5UH4ES027055-03		95,710	95,710
Total - CFDA 93.142			0	96,539	96,539
Projects for Assistance in Transition from Homelessness (PATH)	93.150		5,440,004	80,095	5,520,099
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153		1,415,296	1,017,395	2,432,691
<i>Pass-Through from Resource Group</i>		17UTV00RWD		57,844	57,844
Total - CFDA 93.153			1,415,296	1,075,239	2,490,535
Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	93.156			12,701	12,701
Centers of Excellence	93.157			784,249	784,249
Health Program for Toxic Substances and Disease Registry	93.161			211,199	211,199
<i>Pass-Through from American College of Medical Toxicology</i>		U61TS000238			
Research Related to Deafness and Communication Disorders	93.173			85,943	85,943
Nursing Workforce Diversity	93.178			650,483	650,483
Disabilities Prevention	93.184			(62)	(62)
<i>Pass-Through from American Thrombosis and Hemostasis Network</i>		ATHN2011001-VI-4-REV		13,295	13,295
Total - CFDA 93.184			0	13,233	13,233
Graduate Psychology Education	93.191			226,231	226,231
Telehealth Programs	93.211		50,899	335,354	386,253

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
Family Planning Services <i>Pass-Through from The Women's Health and Family Planning Association of Texas</i>	93.217	FPHPA066196		75,423	75,423
Affordable Care Act (ACA) Abstinence Education Program	93.235		7,277,621	707,557	7,985,178
Grants to States to Support Oral Health Workforce Activities	93.236			469,564	469,564
State Capacity Building	93.240			307,599	307,599
State Rural Hospital Flexibility Program	93.241			729,538	729,538
Mental Health Research Grants	93.242			325,343	325,343
Substance Abuse and Mental Health Services Projects of Regional and National Significance <i>Pass-Through from American Psychiatric Association</i>	93.243	APA/SAMHSA 2014- 2015	2,649,911	7,078,601 (352)	9,728,512 (352)
<i>Pass-Through from Bexar County Juvenile Probation Department</i>		UTHSC297		(20,383)	(20,383)
<i>Pass-Through from Center for Health Care Services</i>		1/1H79TI025631-01		1,045	1,045
<i>Pass-Through from Center for Health Care Services</i>		1/1UD1TI023519-001		7,459	7,459
<i>Pass-Through from Community Mental Health Center</i>		UTA16-001000		33,795	33,795
<i>Pass-Through from Our Lady of the Lake University</i>		16-03/H79TI026024-01		20,279	20,279
<i>Pass-Through from Research Foundation - City University of New York - Hunter College</i>		7F044-F		8,913	8,913
<i>Pass-Through from San Antonio Council on Alcohol and Drug Abuse</i>		1 / 1H79TI023996-02		1,545	1,545
<i>Pass-Through from San Antonio Council on Alcohol and Drug Abuse</i>		1H79T1024770-01		536	536
Total - CFDA 93.243			2,649,911	7,131,438	9,781,349
Advanced Nursing Education Workforce Grant Program	93.247		8,841	1,119,013	1,127,854
Universal Newborn Hearing Screening	93.251		35,412	157,905	193,317
Poison Center Support and Enhancement Grant Program	93.253			774,757	774,757
Infant Adoption Awareness Training <i>Pass-Through from Adoption Exchange Association</i>	93.254	UTA15-001131		39,591	39,591
<i>Pass-Through from Adoption Exchange Association</i>		UTA16-001125		327,932	327,932
Total - CFDA 93.254			0	367,523	367,523
Occupational Safety and Health Program	93.262		15,138	1,253,487	1,268,625
Immunization Cooperative Agreements	93.268			464,531,291	464,531,291
Viral Hepatitis Prevention and Control	93.270			26,280	26,280
Alcohol Research Programs	93.273		22,227	671,966	694,193
Drug-Free Communities Support Program Grants <i>Pass-Through from Casacolumbia</i>	93.276	280600		29,382	29,382
Drug Abuse and Addiction Research Programs <i>Pass-Through from Research Foundation of Cuny</i>	93.279	41896-A	276,510	804,368	1,080,878
<i>Pass-Through from University of Georgia</i>		RR376-419/4945346		16,279 16,746	16,279 16,746
Total - CFDA 93.279			276,510	837,393	1,113,903
Centers for Disease Control and Prevention Investigations Technical Assistance	93.283			2,184,464	2,184,464

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from The National African American Tobacco</i>		NU58DP004975-03-000		26,111	26,111
Total - CFDA 93.283			0	2,210,575	2,210,575
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286			150,624	150,624
<i>Pass-Through from William Marsh Rice University</i>		R23034		6,140	6,140
Total - CFDA 93.286			0	156,764	156,764
State Partnership Grant Program to Improve Minority Health	93.296		88,614	124,023	212,637
Teenage Pregnancy Prevention Program	93.297		530,860	2,437,514	2,968,374
<i>Pass-Through from Etr Associates</i>		TP2A000031-01-00		5,167	5,167
<i>Pass-Through from The Dallas Foundation</i>		3015-2		4,809	4,809
Total - CFDA 93.297			530,860	2,447,490	2,978,350
National Center for Health Workforce Analysis	93.300			194,537	194,537
Small Rural Hospital Improvement Grant Program	93.301		759,554	152,225	911,779
PPHF 2018: Office of Smoking and Health-National State- Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)	93.305			1,674,729	1,674,729
Trans-NIH Research Support	93.310			18,361	18,361
Mobilization For Health: National Prevention Partnership Awards	93.311		58,756	17,812	76,568
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314			13,817	13,817
Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	93.319			869,586	869,586
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		406,876	3,236,872	3,643,748
State Health Insurance Assistance Program	93.324		406,695	591,471	998,166
National Implementation and Dissemination for Chronic Disease Prevention	93.328				
<i>Pass-Through from American Heart Association</i>		FX-ANCHOR-TAMU-01		19,171	19,171
Behavioral Risk Factor Surveillance System	93.336			265,076	265,076
National Center for Advancing Translational Sciences	93.350			455,980	455,980
Advanced Education Nursing Traineeships	93.358			349,974	349,974
Nurse Education, Practice Quality and Retention Grants	93.359			2,057,348	2,057,348
Nursing Research	93.361			70,872	70,872
ACL Independent Living State Grants	93.369		1,048,844	352,131	1,400,975
Cancer Detection and Diagnosis Research	93.394			(1,716)	(1,716)
Cancer Research Manpower	93.398			655,582	655,582
ARRA Grants for Training in Primary Care Medicine and Dentistry Training and Enhancement	93.403			452	452
ARRA - Nurse Faculty Loan Program	93.408			407,354	407,354

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
ACL National Institute on Disability, Independent Living, and Rehabilitation Research <i>Pass-Through from TIRR Memorial Hermann</i>	93.433	90DP0022 ILRU-C/N- 1628-17		20,236	20,236
Food Safety and Security Monitoring Project	93.448			539,487	539,487
PPHF National Public Health Improvement Initiative	93.507			79,201	79,201
Affordable Care Act (ACA) Primary Care Residency Expansion Program	93.510			519,887	519,887
Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	93.511			947,899	947,899
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			449,983	449,983
Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations- financed in part by Prevention and Public Health Funds (PPHF) <i>Pass-Through from Association of State and Territorial Health Officials</i>	93.524	5U38OT000161-04 REQ 1054		13,736	13,736
Grants for Capital Development in Health Centers	93.526			(3,489)	(3,489)
The Affordable Care Act Medicaid Incentives for Prevention of Chronic Disease Demonstration Project	93.536			(18,216)	(18,216)
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539		7,466,789	2,218,861	9,685,650
Abandoned Infants <i>Pass-Through from New York Council on Adoptable Children</i>	93.551	UTA14-000159 2		10,271	10,271
Promoting Safe and Stable Families	93.556		5,296,278	22,169,407	27,465,685
Child Support Enforcement	93.563			245,353,368	245,353,368
Child Support Enforcement Research	93.564			116,064	116,064
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566		28,036,429	8,918,220	36,954,649
Low-Income Home Energy Assistance	93.568		115,306,289	1,321,370	116,627,659
Community Services Block Grant	93.569		31,660,849	1,543,781	33,204,630
Refugee and Entrant Assistance Discretionary Grants	93.576		250,239	2,923	253,162
Refugee and Entrant Assistance Targeted Assistance Grants	93.584		1,659,533		1,659,533
State Court Improvement Program	93.586			1,719,811	1,719,811
Community-Based Child Abuse Prevention Grants	93.590		1,595,035	3,801,059	5,396,094
Grants to States for Access and Visitation Programs	93.597		699,629	278,104	977,733
Chafee Education and Training Vouchers Program (ETV)	93.599			2,044,146	2,044,146
Head Start	93.600		6,602,004	5,161,570	11,763,574

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from City of San Antonio</i>		4600016029 COSA HEAD		11,959	11,959
Total - CFDA 93.600			6,602,004	5,173,529	11,775,533
Adoption and Legal Guardianship Incentive Payments	93.603			10,713,122	10,713,122
Strong Start for Mothers and Newborns	93.611			125,739	125,739
Voting Access for Individuals with Disabilities_Grants to States	93.617		(14,500)		(14,500)
Developmental Disabilities Basic Support and Advocacy Grants	93.630		2,258,508	2,011,565	4,270,073
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632			565,623	565,623
Children's Justice Grants to States	93.643				
<i>Pass-Through from Texas Center for the Judiciary</i>		1742131161		(95,341)	(95,341)
<i>Pass-Through from Texas Center for the Judiciary</i>		CJA-16-04/G-1501TXCJ	20,449	103,611	124,060
Total - CFDA 93.643			20,449	8,270	28,719
Stephanie Tubbs Jones Child Welfare Services Program	93.645			31,183,599	31,183,599
Adoption Opportunities	93.652				
<i>Pass-Through from Adoption Exchange Association</i>		UTA15-001132		3,828	3,828
<i>Pass-Through from Adoption Exchange Association</i>		UTA16-001123		47,690	47,690
<i>Pass-Through from Spaulding for Children</i>		UTA14-001192	43,157	44,898	88,055
<i>Pass-Through from Spaulding for Children</i>		UTA16-000049		9,859	9,859
<i>Pass-Through from Spaulding for Children</i>		UTA16-001218	12,482	310,845	323,327
Total - CFDA 93.652			55,639	417,120	472,759
Foster Care Title IV-E	93.658		4,019,140	203,672,014	207,691,154
Adoption Assistance	93.659			131,938,372	131,938,372
Social Services Block Grant	93.667		31,261,049	136,869,661	168,130,710
Child Abuse and Neglect State Grants	93.669			1,663,846	1,663,846
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671		6,139,230	6,234	6,145,464
Chafee Foster Care Independence Program	93.674		1,025,439	8,802,026	9,827,465
Trans-NIH Recovery Act Research Support	93.701			(19,596)	(19,596)
ARRA - Health Information Technology Regional Extension Centers Program	93.718			(36)	(36)
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF)	93.733			103,415	103,415
<i>Pass-Through from National Ahec Organization</i>		1H23IP000960		2,392	2,392
<i>Pass-Through from National Ahec Organization</i>		NH23IP000960		10,868	10,868
Total - CFDA 93.733			0	116,675	116,675
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs - financed by Prevention and Public Health Funds (PPHF)	93.734			418,046	418,046
State Public Health Approaches for Ensuring Quitline Capacity- Funded in part by Prevention and Public Health Funds (PPHF)	93.735			1,254,798	1,254,798

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
Elder Abuse Prevention Interventions Program	93.747			8,751	8,751
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752		3,872,915	3,606,392	7,479,307
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757		10,416	877,216	887,632
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		2,230,478	980,919	3,211,397
Children's Health Insurance Program	93.767			1,800,326,031	1,800,326,031
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779				
<i>Pass-Through from Memorial Hermann - Texas Medical Center</i>		CMSPVAM17		112,678	112,678
<i>Pass-Through from Memorial Hermann Health System</i>		CMSTGCGN13		128,592	128,592
Total - CFDA 93.779			0	241,270	241,270
Opioid STR	93.788			3,352,953	3,352,953
Money Follows the Person Rebalancing Demonstration	93.791		5,562,011	16,241,117	21,803,128
<i>Pass-Through from Center for Health Care Services</i>		MAPLES - CHCS		18,062	18,062
Total - CFDA 93.791			5,562,011	16,259,179	21,821,190
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796			27,834,003	27,834,003
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC).	93.815			573,542	573,542
Hospital Preparedness Program (HPP) Ebola Preparedness Response Activities	93.817		1,500,889	506,599	2,007,488
Health Careers Opportunity Program	93.822			456,721	456,721
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829			221,841	221,841
Cardiovascular Diseases Research	93.837			70,820	70,820
Lung Diseases Research	93.838			55,745	55,745
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847			146,392	146,392
<i>Pass-Through from Children's Hospital of Los Angeles</i>		TGF919962-N		515	515
Total - CFDA 93.847			0	146,907	146,907
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			659,717	659,717
Allergy and Infectious Diseases Research	93.855		29,053	262,329	291,382
Biomedical Research and Research Training	93.859		127,177	1,402,932	1,530,109
<i>Pass-Through from American Society for Cell Biology</i>		NAID-OR20170127		4,947	4,947
<i>Pass-Through from Baylor College of Medicine</i>		5K12 GM084897-08		8,240	8,240
<i>Pass-Through from Baylor College of Medicine</i>		5T32GM008280-28		65,292	65,292
Total - CFDA 93.859			127,177	1,481,411	1,608,588

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
Child Health and Human Development Extramural Research <i>Pass-Through from George Washington University</i>	93.865	5U01HD068541-05	244,948	447,809 37,123	692,757 37,123
Total - CFDA 93.865			244,948	484,932	729,880
Aging Research	93.866		6,980	3,744,338	3,751,318
Vision Research <i>Pass-Through from Jaeb Center for Health Research</i>	93.867	109510		328,751 26,621	328,751 26,621
Total - CFDA 93.867			0	355,372	355,372
Medical Library Assistance	93.879			204,011	204,011
Grants for Primary Care Training and Enhancement	93.884		11,080	1,241,645	1,252,725
National Bioterrorism Hospital Preparedness Program	93.889			2,102	2,102
Grants to States for Operation of State Offices of Rural Health	93.913			206,382	206,382
HIV Emergency Relief Project Grants <i>Pass-Through from Harris County Public Health and Environmental Services</i>	93.914	14GEN0092		(2,884)	(2,884)
<i>Pass-Through from Harris County Public Health and Environmental Services</i>		16GEN0202		102,973	102,973
<i>Pass-Through from Harris County Public Health and Environmental Services</i>		17GEN0119 / CS 2017- 01		102,728	102,728
<i>Pass-Through from Harris Health System</i>		6H12HA000390-19 GA- 06833		298,310	298,310
<i>Pass-Through from University Health System</i>		150432 (FFACTS)		(17,916)	(17,916)
<i>Pass-Through from University Health System</i>		160277-LS		30,628	30,628
<i>Pass-Through from University Health System</i>		RYAN WHITE PART A FORMULA		46,620	46,620
Total - CFDA 93.914			0	560,459	560,459
HIV Care Formula Grants <i>Pass-Through from Resource Group</i>	93.917	16UTV00PTB	21,937,530	93,573,016 (2,993)	115,510,546 (2,993)
<i>Pass-Through from Resource Group</i>		17UTV00SS		121,985	121,985
<i>Pass-Through from Resource Group</i>		18UTV00PTB		126,507	126,507
<i>Pass-Through from University Health System</i>		RYAN WHITE PART B-SD		660	660
Total - CFDA 93.917			21,937,530	93,819,175	115,756,705
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease <i>Pass-Through from Resource Group</i>	93.918	15UTV00RWC		4,035 (1,913)	4,035 (1,913)
<i>Pass-Through from Resource Group</i>		16UTV00RWC		(5,466)	(5,466)
<i>Pass-Through from Resource Group</i>		16UTV00SS		35,677	35,677
<i>Pass-Through from Resource Group</i>		17UTV00RWC		52,316	52,316
Total - CFDA 93.918			0	84,649	84,649
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924			45,870	45,870
HIV Prevention Activities Health Department Based	93.940		9,761,775	2,975,981	12,737,756

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups <i>Pass-Through from City of Houston Health and Human Services</i>	93.943	C16-001-003		41,786	41,786
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		673,946	1,763,349	2,437,295
Assistance Programs for Chronic Disease Prevention and Control	93.945		14,009	587,422	601,431
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946			175,967	175,967
Tuberculosis Demonstration, Research, Public and Professional Education	93.947			1,020,830	1,020,830
Block Grants for Community Mental Health Services	93.958		36,586,247	3,253,929	39,840,176
Block Grants for Prevention and Treatment of Substance Abuse	93.959		154,728,644	15,884,573	170,613,217
PPHF Geriatric Education Centers	93.969			812,695	812,695
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977		4,510,834	1,578,891	6,089,725
Mental Health Disaster Assistance and Emergency Mental Health	93.982		3,634,928	328,939	3,963,867
Preventive Health and Health Services Block Grant	93.991		1,277,200	95,055	1,372,255
Maternal and Child Health Services Block Grant to the States	93.994		11,730,921	19,732,693	31,463,614
Adolescent Family Life_Demonstration Projects <i>Pass-Through from Children's Shelter</i>	93.995	SG/APHPA006042		(60)	(60)
Total - U.S. Department of Health and Human Services			563,199,805	3,393,971,482	3,957,171,287
Corporation for National and Community Service					
Retired and Senior Volunteer Program	94.002			117,039	117,039
AmeriCorps <i>Pass-Through from Onestar Foundation</i>	94.006	14ESHTX0010002		928,688	928,688
<i>Pass-Through from Onestar Foundation</i>		PRE-AWARD		774	774
<i>Pass-Through from Onestar Foundation</i>		AUTHORIZAT			
<i>Pass-Through from Onestar National Service Commission</i>		16ES180136		2,750	2,750
		201503823		1,217,504	1,217,504
		16AFHTX0010001		288,973	288,973
Total - CFDA 94.006			0	2,438,689	2,438,689
Program Development and Innovation Grants <i>Pass-Through from Iowa Campus Compact</i>	94.007	270600		1,550	1,550
Social Innovation Fund <i>Pass-Through from Methodist Healthcare Ministries of South Texas, Inc.</i>	94.019	14SIHTX001-07		287,581	287,581
Total - Corporation for National and Community Service			0	2,844,859	2,844,859

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001			1,233,246	1,233,246
Total - Executive Office of the President			0	1,233,246	1,233,246
U.S. Department of Homeland Security					
State and Local Homeland Security National Training Program <i>Pass-Through from Norwich University Applied Research Institutes, Ltd.</i>	97.005	PO# 2015-019 03		22,125,875 96,402	22,125,875 96,402
Total - CFDA 97.005			0	22,222,277	22,222,277
Non-Profit Security Program	97.008		404,790		404,790
Boating Safety Financial Assistance	97.012			3,781,186	3,781,186
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023			318,364	318,364
National Urban Search and Rescue (US&R) Response System	97.025			1,393,942	1,393,942
Flood Mitigation Assistance	97.029		7,103,712	72,254	7,175,966
Crisis Counseling	97.032		644,556	832,091	1,476,647
Disaster Unemployment Assistance	97.034			7,097	7,097
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		97,177,719	72,445,377	169,623,096
Hazard Mitigation Grant	97.039		41,830,194	20,192,804	62,022,998
National Dam Safety Program	97.041			357,930	357,930
Emergency Management Performance Grants	97.042		5,939,501	16,540,770	22,480,271
State Fire Training Systems Grants	97.043			20,000	20,000
Assistance to Firefighters Grant <i>Pass-Through from Cfai - Risk, Inc.</i>	97.044	CFAI-RISK-17		883,930 151,123	883,930 151,123
Total - CFDA 97.044			0	1,035,053	1,035,053
Cooperating Technical Partners	97.045		22,578	532,835	555,413
Fire Management Assistance Grant	97.046		359,476	2,562,631	2,922,107
Pre-Disaster Mitigation	97.047		1,270,150	29,069	1,299,219
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050			25,710,797	25,710,797
Port Security Grant Program	97.056			770,153	770,153
Centers for Homeland Security <i>Pass-Through from Purdue University</i> <i>Pass-Through from University of Southern California</i>	97.061	4112-72316 270530		361,050 4,903 1,967	361,050 4,903 1,967
Total - CFDA 97.061			0	367,920	367,920
Scientific Leadership Awards	97.062			176,617	176,617
Homeland Security Grant Program	97.067		60,744,983	4,445,535	65,190,518

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Homeland Security (continued)					
Disaster Assistance Projects	97.088			14,531,144	14,531,144
Homeland Security Biowatch Program	97.091			2,394,508	2,394,508
Severe Repetitive Loss Program	97.110		6,511,045	93,052	6,604,097
National Nuclear Forensics Expertise Development Program <i>Pass-Through from University of South Carolina</i>	97.130	15-2716		24,730	24,730
Total - U.S. Department of Homeland Security			222,008,704	190,858,136	412,866,840
Total Non-Clustered Programs			3,867,778,807	8,841,012,845	12,708,791,652
RESEARCH AND DEVELOPMENT CLUSTER					
U.S. Department of Agriculture					
U.S. Department of Agriculture	10.XXX	16-CR-11242313-068		44,251	44,251
		16-CS-11153900-015		24,091	24,091
		26-0903-43		4,788	4,788
<i>Pass-Through from Dairy Management, Inc.</i>		UTA15-000186		99,881	99,881
<i>Pass-Through from Dickinson State University</i>		LETTER 4 10 17		2,500	2,500
Total - CFDA 10.XXX			0	175,511	175,511
Agricultural Research Basic and Applied Research	10.001		29,985	3,940,961	3,970,946
<i>Pass-Through from Loyola University Chicago</i>		59-00210-2-160;516160		25,363	25,363
<i>Pass-Through from Mississippi State University</i>		58-6406-9-434		389	389
<i>Pass-Through from University of California - Berkeley</i>		00008265		(7,500)	(7,500)
ARRA - Agricultural Research Basic and Applied Research				1,689	1,689
Total - CFDA 10.001			29,985	3,960,902	3,990,887
Plant and Animal Disease, Pest Control, and Animal Care	10.025		53,222	2,927,068	2,980,290
<i>Pass-Through from Texas Citrus Pest and Disease Management</i>		15-8130-0452CA		46,761	46,761
Total - CFDA 10.025			53,222	2,973,829	3,027,051
Wildlife Services	10.028			210,388	210,388
Voluntary Public Access and Habitat Incentive Program	10.093			36,663	36,663
Federal-State Marketing Improvement Program	10.156			61,694	61,694
Specialty Crop Block Grant Program - Farm Bill	10.170				
<i>Pass-Through from Black Gold Farms</i>		M1600699		98,555	98,555
<i>Pass-Through from Cea Advisors, LLC</i>		M1600698		(25,233)	(25,233)
<i>Pass-Through from Heb, Inc.</i>		REF# M1600753		55,618	55,618
<i>Pass-Through from J&d Produce</i>		2017-001		21,779	21,779
<i>Pass-Through from J&d Produce</i>		M1601013		21,366	21,366
<i>Pass-Through from Nacogdoches Economic Development Corporation</i>		SC-1617-035		13,977	13,977
<i>Pass-Through from Texas Beekeepers Association</i>		2017-001		25,447	25,447
<i>Pass-Through from Texas Olive Oil Council</i>		TOOC-2015TAMUR		18	18
<i>Pass-Through from Texas Olive Oil Council</i>		TOOC-2015TTU		9,827	9,827
<i>Pass-Through from Texas Pecan Growers Association</i>		2017-001		27,787	27,787
<i>Pass-Through from Texas Watermelon Association</i>		2017-001		56,658	56,658
<i>Pass-Through from University of Arizona</i>		2017CPS05/16-SCBGP-CA-0035		26,901	26,901

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Agriculture (continued)					
<i>Pass-Through from Uvalde County Underground Water Conservation</i>		SCFB-1314-26		(20)	(20)
<i>Pass-Through from Uvalde County Underground Water Conservation</i>		SRS #M1601018		8,789	8,789
<i>Pass-Through from Washington State Fruit Commission</i>		M1602129		38,731	38,731
Total - CFDA 10.170			0	380,200	380,200
Grants for Agricultural Research, Special Research Grants	10.200		167,493	29,338	196,831
<i>Pass-Through from Colorado State University</i>		G-14961-3		67,263	67,263
<i>Pass-Through from Oklahoma State University</i>		2-560050TAMUR		2,114	2,114
<i>Pass-Through from Oklahoma State University</i>		2-562140 TAMUR		14,186	14,186
<i>Pass-Through from University of Florida</i>		1600412037		13,782	13,782
<i>Pass-Through from University of Florida</i>		PO #1600470860		57,553	57,553
Total - CFDA 10.200			167,493	184,236	351,729
Cooperative Forestry Research	10.202			1,050,658	1,050,658
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203			9,041,271	9,041,271
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205			5,248,964	5,248,964
Higher Education - Graduate Fellowships Grant Program	10.210			150,973	150,973
Sustainable Agriculture Research and Education	10.215			19,419	19,419
<i>Pass-Through from University of Georgia</i>		436071		10,982	10,982
<i>Pass-Through from University of Georgia</i>		RD309-122/4940016		(596)	(596)
<i>Pass-Through from University of Georgia</i>		RD309-129/S000672		2,699	2,699
<i>Pass-Through from University of Georgia</i>		RD309-129/S000847		2,422	2,422
<i>Pass-Through from University of Georgia</i>		RD309-129/S000881		3,310	3,310
<i>Pass-Through from University of Georgia</i>		RD309-134/S0000908		110,400	110,400
<i>Pass-Through from University of Georgia</i>		RD309-134/S001085		16,855	16,855
<i>Pass-Through from University of Georgia</i>		RD309134/S001240		5,640	5,640
<i>Pass-Through from University of Georgia</i>		RD309134/S001242		9,511	9,511
<i>Pass-Through from University of Georgia</i>		RD309-137/S001413		20	20
Total - CFDA 10.215			0	180,662	180,662
1890 Institution Capacity Building Grants	10.216		37,868	137,462	175,330
Higher Education - Institution Challenge Grants Program	10.217		68,997	382,776	451,773
<i>Pass-Through from Cornell University</i>		73365-10460		17,959	17,959
<i>Pass-Through from Purdue University</i>		8000064675-AG		18,903	18,903
<i>Pass-Through from University of Arkansas for Medical Sciences</i>		91444-02		16,224	16,224
<i>Pass-Through from University of Florida</i>		UFDSP00011213		46,199	46,199
<i>Pass-Through from West Virginia University</i>		13-536-TAR		11,932	11,932
Total - CFDA 10.217			68,997	493,993	562,990
Biotechnology Risk Assessment Research	10.219		15,752	106,239	121,991
Hispanic Serving Institutions Education Grants	10.223		773,772	2,072,276	2,846,048
<i>Pass-Through from Florida International University</i>		800005937-02UG		78,400	78,400
Total - CFDA 10.223			773,772	2,150,676	2,924,448
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226			3,282	3,282

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Agriculture (continued)					
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250			241	241
<i>Pass-Through from University of Baltimore</i>		1020451-UTA		6,164	6,164
Total - CFDA 10.250			0	6,405	6,405
Consumer Data and Nutrition Research	10.253			10,540	10,540
Agricultural Market and Economic Research	10.290			148,258	148,258
Agricultural and Food Policy Research Centers	10.291			1,193,324	1,193,324
Integrated Programs	10.303		39,795	208,278	248,073
<i>Pass-Through from Arkansas State University</i>		14-686-15		84,685	84,685
Total - CFDA 10.303			39,795	292,963	332,758
Homeland Security Agricultural	10.304			333,862	333,862
<i>Pass-Through from Purdue University</i>		800008032-AG		20,248	20,248
Total - CFDA 10.304			0	354,110	354,110
Organic Agriculture Research and Extension Initiative	10.307		11,816	307,935	319,751
Specialty Crop Research Initiative	10.309		303,015	544,549	847,564
<i>Pass-Through from Clemson University</i>		1763-207-2020386		71,588	71,588
<i>Pass-Through from Michigan State University</i>		RC104285D		30,073	30,073
<i>Pass-Through from University of California - Riverside</i>		S000778		83,721	83,721
<i>Pass-Through from University of Florida</i>		UFDSP00011197		263,105	263,105
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		417518-19837		2,948	2,948
Total - CFDA 10.309			303,015	995,984	1,298,999
Agriculture and Food Research Initiative (AFRI)	10.310		1,170,515	5,290,589	6,461,104
<i>Pass-Through from Auburn University</i>		2015-67015-22975		57,299	57,299
<i>Pass-Through from Colorado State University</i>		2016-680074-25066		99,150	99,150
<i>Pass-Through from Colorado State University</i>		G-01646-1		919	919
<i>Pass-Through from Colorado State University</i>		G-06263-3		15,778	15,778
<i>Pass-Through from Colorado State University</i>		G-14765-6		22,700	22,700
<i>Pass-Through from Connecticut Agricultural Experiment Station</i>		CAES-AC-2015		6,089	6,089
<i>Pass-Through from Connecticut Agricultural Experiment Station</i>		CAES-AC-2016-01		11,546	11,546
<i>Pass-Through from Cornell University</i>		65850-10196		34,322	34,322
<i>Pass-Through from Cornell University</i>		76482-10583		92,616	92,616
<i>Pass-Through from Kansas State University</i>		490170		170,931	170,931
<i>Pass-Through from Ohio State University</i>		60045862/RF01398409		100,419	100,419
<i>Pass-Through from Purdue University</i>		8000053333-AG		249,220	249,220
<i>Pass-Through from Purdue University</i>		8000053334-AG		74,053	74,053
<i>Pass-Through from Regents of the University of California</i>		201503344-01		58,131	58,131
<i>Pass-Through from Southern Illinois University - Carbondale</i>		SIU CARBONDALE 15-31		20,219	20,219
<i>Pass-Through from The Curators of The University of Missouri</i>		C00037134-3		3,866	3,866
<i>Pass-Through from University of Arkansas</i>		UA AES 91118-01		11,855	11,855
<i>Pass-Through from University of Arkansas for Medical Sciences</i>		UA AES 0402-82678- 03		57,085	57,085
<i>Pass-Through from University of Arkansas for Medical Sciences</i>		US AES 0402-82681-01		34,223	34,223
<i>Pass-Through from University of California - Davis</i>		201300264-01		113,281	113,281
<i>Pass-Through from University of California - Davis</i>		201403146-01		38,705	38,705

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Agriculture (continued)					
<i>Pass-Through from University of California - Davis</i>		201603566-16		25,402	25,402
<i>Pass-Through from University of California - Santa Cruz</i>		A16-0086-S002- P0587973		11,419	11,419
<i>Pass-Through from University of Georgia</i>		RC398-139/S000791		96,572	96,572
<i>Pass-Through from University of Missouri</i>		C00031587-9		40,382	40,382
<i>Pass-Through from University of Nebraska</i>		25-6239-0235-304		1,134	1,134
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6222-0810-002		91,199	91,199
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6239-0235-304 1		26,439	26,439
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6268-0005-003		91,317	91,317
<i>Pass-Through from University of Nebraska - Lincoln</i>		2013-68004-20358			
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6321-0212-103	22,590	68,494	91,084
<i>Pass-Through from University of North Carolina - Wilmington</i>		577470-17-02 P0104899		31,915	31,915
<i>Pass-Through from University of South Florida</i>		UFDSP00010022		51,244	51,244
<i>Pass-Through from University of Tennessee</i>		8500046705		2,323	2,323
<i>Pass-Through from University of Wisconsin</i>		493K872		9,915	9,915
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		422568-19094		5,156	5,156
<i>Pass-Through from William Marsh Rice University</i>		2015-67013-22813		43,224	43,224
<i>Pass-Through from William Marsh Rice University</i>		R18761		62,556	62,556
Total - CFDA 10.310			1,193,105	7,221,687	8,414,792
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10.312				
<i>Pass-Through from Ceramatec, Inc.</i>		02212013		70,994	70,994
Women and Minorities in Science, Technology, Engineering, and Mathematics Fields	10.318			13,596	13,596
Sun Grant Program	10.320				
<i>Pass-Through from Oklahoma State University</i>		2568930 TALR1	3,435	23,816	27,251
<i>Pass-Through from Oklahoma State University</i>		2568930 UTSA1		2,702	2,702
Total - CFDA 10.320			3,435	26,518	29,953
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326			170,251	170,251
<i>Pass-Through from Middle Tennessee State University</i>		C16-0811		62,386	62,386
Total - CFDA 10.326			0	232,637	232,637
National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	10.328				
<i>Pass-Through from University of Florida</i>		UFDSP00011141		14,533	14,533
Crop Protection and Pest Management Competitive Grants Program	10.329		11,878	134,773	146,651
<i>Pass-Through from Kansas State University</i>		S15119		22,327	22,327
<i>Pass-Through from Louisiana State University</i>		PO 94653		10,225	10,225
Total - CFDA 10.329			11,878	167,325	179,203
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443			105,055	105,055
Crop Insurance	10.450			3,500,265	3,500,265
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			126,064	126,064

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Agriculture (continued)					
Meat, Poultry, and Egg Products Inspection	10.477			41,371	41,371
Food Safety Cooperative Agreements	10.479			85,240	85,240
Food for Progress <i>Pass-Through from National Cooperative Business Association</i>	10.606	M001-16-03		281,321	281,321
Forestry Research <i>Pass-Through from University of Idaho</i>	10.652	GNK380-SB-001		1,562,204 74	1,562,204 74
Total - CFDA 10.652			0	1,562,278	1,562,278
Cooperative Forestry Assistance	10.664			12,397	12,397
Forest Stewardship Program	10.678			4,089	4,089
Forest Health Protection	10.680			62,299	62,299
Partnership Agreements	10.699			3,142	3,142
Norman E. Borlaug International Agricultural Science and Technology Fellowship <i>Pass-Through from University of California - Davis</i>	10.777	016258-160		167,516 19,114	167,516 19,114
Total - CFDA 10.777			0	186,630	186,630
Rural Energy for America Program	10.868			15,552	15,552
Soil and Water Conservation	10.902			113,207	113,207
Soil Survey	10.903		49,117	1,266,523	1,315,640
Plant Materials for Conservation	10.905			1,971	1,971
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	490380 490010 3-580130 TAMAL1 LPCI-16-03 LPCI-16-06		492,075 22,012 5,924 74,916 12,050 44,697	492,075 22,012 5,924 74,916 12,050 44,697
Total - CFDA 10.912			0	651,674	651,674
Agricultural Statistics Reports	10.950			133,585	133,585
Technical Agricultural Assistance <i>Pass-Through from Catholic Relief Services</i> <i>Pass-Through from National Cotton Council of America</i>	10.960	FCC-686-2013-027-00 SRS M1800045		328,659 34,327 1,347	328,659 34,327 1,347
Total - CFDA 10.960			0	364,333	364,333
Cochran Fellowship Program-International Training-Foreign Participant	10.962			300,745	300,745
Total - U.S. Department of Agriculture			2,759,250	46,422,153	49,181,403
U.S. Department of Commerce					
U.S. Department of Commerce	11.XXX	70NANB12H107 IP1701 RA-133E-16-SE-1407 RA-133F-15-SE-1379		627,577 114,605 31,455 54,629	627,577 114,605 31,455 54,629

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
<i>Pass-Through from Nanoelectronics Research Corporation</i>		2013-NE-2400	244,459	880,089	1,124,548
<i>Pass-Through from Research Foundation for the State University of New York</i>		70NANB12H107		55,139	55,139
<i>Pass-Through from Woods Hole Group, Inc.</i>		2014-0120-000-001-01		47,978	47,978
<i>Pass-Through from Woods Hole Group, Inc.</i>		2014-0121-000-001-01		74,745	74,745
<i>Pass-Through from Woods Hole Group, Inc.</i>		EA-133C-13CQ-0028		24,316	24,316
<i>Pass-Through from Woods Hole Group, Inc.</i>		EA133C-13-CQ-0028		9,187	9,187
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		2017-0099-00			
		EA133C-13-CQ-0028		448,529	448,529
		2016-005			
Total - CFDA 11.XXX			244,459	2,368,249	2,612,708
Ocean Exploration	11.011				
<i>Pass-Through from University of Hawaii</i>		MA1118		9,760	9,760
Integrated Ocean Observing System (IOOS)	11.012		245,739	1,159,867	1,405,606
<i>Pass-Through from The Southeastern University Research Association</i>		2013-006		41,298	41,298
<i>Pass-Through from University of California - Santa Cruz</i>		A00-1118- S001(S0184263)		55,907	55,907
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A101272		18,206	18,206
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A101273		40,749	40,749
Total - CFDA 11.012			245,739	1,316,027	1,561,766
Cluster Grants	11.020			54,604	54,604
Economic Adjustment Assistance	11.307				
<i>Pass-Through from South Plains Association of Governments</i>		08-69-05042		56,376	56,376
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>		NA11 S0120035		13,537	13,537
<i>Pass-Through from University of Southern Mississippi</i>		UMS-GR04905-02		850,672	850,672
Total - CFDA 11.400			0	864,209	864,209
Interjurisdictional Fisheries Act of 1986	11.407			162,614	162,614
Sea Grant Support	11.417			2,344,277	2,344,277
<i>Pass-Through from Abt Associates, Inc.</i>		47354		8,272	8,272
<i>Pass-Through from Abt Associates, Inc.</i>		47617		63,292	63,292
<i>Pass-Through from Auburn University</i>		16-FAA-368089-UT		10,250	10,250
<i>Pass-Through from Mississippi - Alabama Sea Grant Consortium</i>		USM-GR05655-R/SFA- RS-12	12,500	87,095	99,595
Total - CFDA 11.417			12,500	2,513,186	2,525,686
Coastal Zone Management Administration Awards	11.419		(941)	830,876	829,935
Coastal Zone Management Estuarine Research Reserves	11.420			605,082	605,082
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427		38,542	531,170	569,712
<i>Pass-Through from South Carolina Department of Natural Resources</i>		SCDNR FY2017003		20,087	20,087
<i>Pass-Through from South Carolina Department of Natural Resources</i>		SCDNR FY2017-007		5,186	5,186
Total - CFDA 11.427			38,542	556,443	594,985

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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		82,075	851,924	933,999
<i>Pass-Through from University of Oklahoma</i>		2016-41		14,790	14,790
Total - CFDA 11.431			82,075	866,714	948,789
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432			53,566	53,566
<i>Pass-Through from Industrial Economics, Inc.</i>		AB133C 11 CQ 0050 5700 TAMUCC		154,896	154,896
<i>Pass-Through from North Carolina State University</i>		2014-2918-10		44,422	44,422
<i>Pass-Through from University of Miami</i>		S140004		2,018	2,018
<i>Pass-Through from University of Miami</i>		S16-33 PO #AD08126		2,669	2,669
Total - CFDA 11.432			0	257,571	257,571
Marine Fisheries Initiative	11.433			99,967	99,967
Cooperative Fishery Statistics	11.434			95,899	95,899
<i>Pass-Through from Gulf States Marine Fisheries Commission</i>		FNA15NMF4340078		177,642	177,642
Total - CFDA 11.434			0	273,541	273,541
Southeast Area Monitoring and Assessment Program	11.435			118,276	118,276
Marine Mammal Data Program	11.439			33,818	33,818
Environmental Sciences, Applications, Data, and Education	11.440			87,639	87,639
Regional Fishery Management Councils	11.441				
<i>Pass-Through from Gulf of Mexico Fishery Management Council</i>		17-7050		43,348	43,348
Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology	11.451		247,037	318,450	565,487
Unallied Industry Projects	11.452			7,436	7,436
Unallied Management Projects	11.454		2,437	65,618	68,055
<i>Pass-Through from Florida State University</i>		R01859		5,812	5,812
<i>Pass-Through from National Fish and Wildlife Foundation</i>		0304 16 054237		137,755	137,755
Total - CFDA 11.454			2,437	209,185	211,622
Weather and Air Quality Research	11.459			320,759	320,759
Habitat Conservation	11.463		5,285	42,297	47,582
Meteorologic and Hydrologic Modernization Development	11.467			270,791	270,791
<i>Pass-Through from University Corporation for Atmospheric Research</i>		Z16-23463		12,322	12,322
Total - CFDA 11.467			0	283,113	283,113
Applied Meteorological Research	11.468			115,782	115,782
Unallied Science Program	11.472			175,736	175,736
<i>Pass-Through from Gulf States Marine Fisheries Commission</i>		ACQ-210-039-2016- TAMU		24,111	24,111
Total - CFDA 11.472			0	199,847	199,847

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478		115,102	703,548	818,650
<i>Pass-Through from Louisiana State University</i>		NA16 S4780208 PO-0000012275		17,543	17,543
<i>Pass-Through from University of South Florida</i>		2500-1650-00-A		23,445	23,445
Total - CFDA 11.478			115,102	744,536	859,638
Educational Partnership Program	11.481				
<i>Pass-Through from City College of New York</i>		49312-B		17,615	17,615
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		C-4263		134,998	134,998
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		C-4946 C-4264		466,453	466,453
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		C-4951		33,293	33,293
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		NA 16SEC4810009		226,724	226,724
<i>Pass-Through from Howard University</i>		0008971-100006614		125,862	125,862
Total - CFDA 11.481			0	1,004,945	1,004,945
Measurement and Engineering Research and Standards	11.609			697,274	697,274
<i>Pass-Through from Southern Methodist University</i>		60NANB17D180		39,575	39,575
<i>Pass-Through from University of Louisville Research Foundation, Inc.</i>		ULRF13-1307-01		(32,201)	(32,201)
Total - CFDA 11.609			0	704,648	704,648
Manufacturing Extension Partnership	11.611		1,618,795	4,012,201	5,630,996
Arrangements for Interdisciplinary Research Infrastructure	11.619		62,300	244,119	306,419
<i>Pass-Through from Colorado State University</i>		G00745-5		4,342	4,342
<i>Pass-Through from Colorado State University</i>		G-00745-6		196,897	196,897
<i>Pass-Through from University of Massachusetts - Lowell</i>		S51700000029488		9,898	9,898
Total - CFDA 11.619			62,300	455,256	517,556
Science, Technology, Business and/or Education Outreach	11.620			57,075	57,075
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-000891		27,000	27,000
Total - CFDA 11.620			0	84,075	84,075
Patent and Trademark Technical Information Dissemination	11.900		12,339	35,745	48,084
Total - U.S. Department of Commerce			2,685,669	19,656,575	22,342,244
U.S. Department of Defense					
U.S. Department of Defense	12.XXX	15-C-0108 CLIN 0001		7,303	7,303
		15-JV-11272167-067		41,363	41,363
		16-C-0242 CLIN 0001		416,036	416,036
		1707226		38,797	38,797
		2014-14072500009 TO 0001		375	375
		2014-14072500009 TO 003		35,211	35,211

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		2014-14072500009 TO 004		1,272	1,272
		2014-14072500009 TO 006		102,141	102,141
		2014-14072500009 TO 008 CLIN 0001		1,074,014	1,074,014
		2014-14072500009 TO 010 CLIN 0001		594,404	594,404
		2015-322 NRTC-FY15-S 20160926- 0085-01	33,549		33,549
		464 641 00	788,366	235,097	235,097
		FA8650-15-C-6588		520,718	1,309,084
		FA8650-15-C-6589		368,385	368,385
		FA8650-17-C -5278		375,280	375,280
		HDTRA1-14-C-0116	(2,307)	9,962	9,962
		HQ0034-15-P-0111		489,505	487,198
		HQ0147-13-C-6026	56,125	53,285	53,285
		HQ0147-14-C-6003		2,874	58,999
		HR0011-15-C-0031	216,947	190,539	190,539
		HR0011-15-C-0095		145,021	361,968
		HU0001091TS15		971,674	971,674
		IPA2015CHOTIROS		70,085	70,085
		IPAA FOR DR		273,284	273,284
		SCHWACHA		10,790	10,790
		M1400370 02-469031		632	632
		M1600686 02-447111		27,499	27,499
		MOOREIPA		225,316	225,316
		MS101103487		102,183	102,183
		N00014-11-G-0041 #0020		49,713	49,713
		N00014-11-G-0041 #0022 CLN 0001 ACN AA		866,640	866,640
		N00014-11-G-0041 #0024		157,422	157,422
		N00014-11-G-0041 #3006		1,032,972	1,032,972
		N00014-11-G0041 0008		1	1
		N00014-11-G-0041 - 0014 CLN 0001 ACN AA		115,752	115,752
		N00014-11-G-0041 0018		234,820	234,820
		N00014-11-G-0041 0019		178,899	178,899
		N0001411G0041 0023		104,337	104,337
		N00014-11-G-0041 3010		175,531	175,531
		N00014-11-G-0041- 0012		111,431	111,431
		N00014-11-G-0041- 0013 CLN 0001 ACN AA AB		118,913	118,913
		N00014-11-G-0041- 0015		8	8

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00014-11-G-0041- 2005		2,801,312	2,801,312
		N00014-16-F-3010		6	6
		N00014-11-G-0041			
		N00024-07-D-6200 # 0612 CLN 0003		185	185
		N0002407D6200 17F8522 CLN 0003 ACN AA		20,363	20,363
		N0002407D6200 17F8530		38,337	38,337
		N00024-07-D-6200- 0513 CLN 0003 ACN AA AB		289,335	289,335
		N00024-07-D-6200- 0732-04 CLN 0003 ACN AC		177,528	177,528
		N00024-07-D-6200- 0750 CLN 0003 ACN AA AB		45,323	45,323
		N00024-07-D-6200- 0751 CLN 0003 ACN AA		(95)	(95)
		N00024-07-D-6200- 0766 CLN 0003 ACN AA		1,096,448	1,096,448
		N00024-07-D-6200- 0795 CLN 0003 ACN AA		4,666	4,666
		N00024-07-D-6200- 0804 CLN 0003 ACN AA		146,898	146,898
		N00024-07-D-6200- 0807 CLN 0003 ACN AA		1,198	1,198
		N00024-07-D-6200- 0813 CLN 0003 ACN AA AB		4,938,173	4,938,173
		N00024-07-D-6200- 0839 CLN 0003 ACN AA		189,093	189,093
		N00024-07-D-6200- 0842 CLN 0003 ACN AA		101,800	101,800
		N00024-07-D-6200- 0843 CLN 0003 ACN AA		32,265	32,265
		N00024-07-D-6200- 0845 CLN 0003 ACN AA		117,797	117,797
		N00024-07-D-6200- 0848 CLN 0003 ACN AA		197,718	197,718

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0849 CLN 0003 ACN AA		85,559	85,559
		N00024-07-D-6200-0850 CLN 0003 ACN AA		568,259	568,259
		N00024-07-D-6200-0851 CLN 0003 ACN AA		121,394	121,394
		N00024-07-D-6200-0852 CLN 0003 ACN AA AB		23,115	23,115
		N00024-07-D-6200-0853 CLN 0003 ACN AA		3,588	3,588
		N00024-07-D-6200-0854 CLN 0003 ACN AA		1,475,896	1,475,896
		N00024-07-D-6200-0855 CLN 0003 ACN AA		422,405	422,405
		N00024-07-D-6200-0856 CLN 0003 ACN AA		247,887	247,887
		N00024-07-D-6200-0859 CLN 0003 ACN AA		130,009	130,009
		N00024-07-D-6200-0860 CLN 0003 ACN AA		328,686	328,686
		N00024-07-D-6200-0861 CLN 0003 ACN AA		33,762	33,762
		N00024-07-D-6200-0863 CLN 0003 ACN AA		79,348	79,348
		N00024-07-D-6200-0866 CLN 0003 ACN AA AB		745,635	745,635
		N00024-07-D-6200-0867 CLN 0003 ACN AA		670,540	670,540
		N00024-07-D-6200-0870 CLN 0003 ACN AA		79,848	79,848
		N00024-07-D-6200-0871 CLN 0003 ACN AA		20,082	20,082
		N00024-07-D-6200-0872 CLN 0003 ACN AA		22,486	22,486
		N00024-07-D-6200-0873 CLN 0003 ACN AA		126,841	126,841

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0874 CLN 0003 ACN AA AB		1,265,996	1,265,996
		N00024-07-D-6200-0875 CLN 0003 ACN AA		453	453
		N00024-07-D-6200-0876 CLN 0003 ACN AA		708,061	708,061
		N00024-07-D-6200-0877 CLN 0003 ACN AA		433,603	433,603
		N00024-07-D-6200-0878 CLN 0003 ACN AA		7,648	7,648
		N00024-07-D-6200-0881 CLN 0003 ACN AA		6,807	6,807
		N00024-07-D-6200-0882 CLN 0003 ACN AA		203,017	203,017
		N00024-07-D-6200-0884 CLN 0003 ACN AA AB		597,890	597,890
		N00024-07-D-6200-0890 CLN 0003 ACN AA AB		569,763	569,763
		N00024-07-D-6200-0891 CLN 0003 ACN AA		62,105	62,105
		N00024-07-D-6200-0892 CLN 0003 ACN AA		155,927	155,927
		N00024-07-D-6200-0895 CLN 0003 ACN AA		19,852	19,852
		N0002417F8504		8,978	8,978
		N00173-15-P-3503		34,001	34,001
		N0042117P0452		19,830	19,830
		N32398-16-P-0318		13,595	13,595
		N62645-16-D-5033		54,136	54,136
		ONR		(7,093)	(7,093)
		IPA/RAMALINGAM			
		UTA15-000839		72,540	72,540
		W56HZV-17-P-L532		3,741	3,741
		W81EWF61529739		50,733	50,733
		W81XWH-17-P-0168		4,490	4,490
		W91151-15-D-0009 0003 02		165,648	165,648
		W91151-15-D-0009 0003CLIN 0006AB		221,500	221,500
		W91151-15-D-0009 0003CLIN 0006AC		164,153	164,153
		W91151-15-D-0009 0004		280,829	280,829
		W91151-15-D-0009 0005CLIN 0006AA		279,207	279,207

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		W91151-15-D-0009		972,429	972,429
		0005CLIN 0006AB			
		W91151-15-D-0009		16,159	16,159
		0005CLIN 0008AA			
		W91151-15-D-0009		20,000	20,000
		0005CLIN 0008AB			
		W91151-15-D-0009		123,964	123,964
		0005CLIN 0008AC			
		W91151-15-D-0009		229,547	229,547
		0006 0011AA			
		W91151-15-D-0009		152,455	152,455
		0006 0011AB			
		W91151-15-D-0009		23,537	23,537
		0006 0012AA			
		W91151-15-D-0009		5,040	5,040
		0006 0013AA			
		W91151-15-D-0009		(10,236)	(10,236)
		CLIN 0001AA ACRN			
		AE			
		W91151-15-D-0009		(7,607)	(7,607)
		CLIN 0001AD ACRN			
		AA			
		W91151-15-D-0009		755,928	755,928
		CLIN 0006AA WR 1			
		W91151-15-D-0009		10,163	10,163
		CLIN 0008AA WR 1			
		W91151-15-D-		39,216	39,216
		0009ORD0009 0011AA			
		W911NF-13-2-0018		13,740	13,740
		W911NF-13-2-0018		84,755	84,755
		P00007			
		W911NF-16-1-0001		64,845	64,845
		P00002			
		W911QX-15-D-0011		287,673	287,673
		W911QY-15-C-0021		296,749	296,749
		W9126G-16-C-0075		33,205	33,205
		W912DW-17-P0089		19,129	19,129
		W912HQ-11-C-0035	240,081	29,374	269,455
		W912HQ-14-C-0019	218,998	103,792	322,790
		W912HQ-14-C-0033	125,471	105,406	230,877
		W912HQ-15-C-0014	206,392	79,515	285,907
		ER-2530			
		ZHAO/IPAA/NAVY		(4,175)	(4,175)
		14-17 / 14-17A		2,378	2,378
		2010-359		110,750	110,750
		2015-322 NRTC-FY15-S		171,793	171,793
		0005B-7 N00014-14-23-	35,254	8,155	43,409
		0002			
		UTA16-001116		42,390	42,390
<i>Pass-Through from Amethyst Research, Inc.</i>		17-1240-01		27,475	27,475
<i>Pass-Through from Applied Defense Solutions, Inc.</i>		UTA15-001192		153,241	153,241
<i>Pass-Through from Applied Novel Devices, Inc.</i>		9258		56,482	56,482
<i>Pass-Through from Ats - Mer, LLC</i>		905911 2		160,398	160,398
<i>Pass-Through from BAE Systems</i>		933973		167,844	167,844
<i>Pass-Through from BAE Systems</i>		UTA16-000926		174,031	174,031

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Balcones Technologies, LLC</i>		UTA17-000753		21,699	21,699
<i>Pass-Through from Battelle</i>		US001-0000544452		190,886	190,886
<i>Pass-Through from Battelle Memorial Institute</i>		US001-0000431861		947	947
<i>Pass-Through from Bio Scientific Corporation</i>		UTA16-000312		74,103	74,103
<i>Pass-Through from Boeing Company</i>		1189751		1,031	1,031
<i>Pass-Through from Boeing Company</i>		1404578		15,534	15,534
<i>Pass-Through from Boeing Company</i>		PO#1161311		201,065	201,065
<i>Pass-Through from Booz Allen Hamilton, Inc.</i>		108499SB18 1		40,417	40,417
<i>Pass-Through from Brainscope Company, Inc.</i>		UTA15-000835		22,325	22,325
<i>Pass-Through from Brainscope Company, Inc.</i>		UTA17-000130		27,040	27,040
<i>Pass-Through from Cfd Research Corporation</i>		20160175		54,170	54,170
<i>Pass-Through from Charles River Analytics, Inc.</i>		SC1325701		105,989	105,989
<i>Pass-Through from Cherokee Nation Management and Consulting, LLC</i>		0125700-0017		22,717	22,717
<i>Pass-Through from Chiral Photonics</i>		SCI-6169-2016		47,070	47,070
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTEPRAM16-S7700-03-C		90,546	90,546
<i>Pass-Through from Combustion Research and Flow Technology, Inc.</i>		16-C-0028C677		29,644	29,644
<i>Pass-Through from Cree, Inc.</i>		11 005 911NF 10 2 0038		6,450	6,450
<i>Pass-Through from Dcs Corporation</i>		PO 161444		436,804	436,804
<i>Pass-Through from Def - Logix, Inc.</i>		HC1028-14-C		20,430	20,430
<i>Pass-Through from Doolittle Institute</i>		M1602135		32,199	32,199
<i>Pass-Through from Draper</i>		PO001-0001039681		5,109	5,109
<i>Pass-Through from Drs Network and Imaging Systems, LLC</i>		10P0008902		13,233	13,233
<i>Pass-Through from Drs Network and Imaging Systems, LLC</i>		10P0013450		53,875	53,875
<i>Pass-Through from Drs Network and Imaging Systems, LLC</i>		PO10P0016469		21,242	21,242
<i>Pass-Through from Duke University</i>		13-ONR-1112		273,505	273,505
<i>Pass-Through from Dxdiscovery, Inc.</i>		W911QY15C0058		109,556	109,556
<i>Pass-Through from Dynamic Research Corp</i>		14463-PETTT-UTAUSTIN TO10		11,122	11,122
<i>Pass-Through from Ecology and Environment, Inc.</i>		1003025 0025		23,156	23,156
<i>Pass-Through from Electric Drivetrain Technologies, LLC</i>		UTA15-000638		12,091	12,091
<i>Pass-Through from Emergent Space Technologies, Inc.</i>		UTA14-001102		24,043	24,043
<i>Pass-Through from Emergent Space Technologies, Inc.</i>		UTA14-001102 1		23,658	23,658
<i>Pass-Through from Engility Corporation</i>		14463-PETTT-UTAUSTIN TO10 4		152,564	152,564
<i>Pass-Through from Ensafe, Inc.</i>		21263 N62470-11F-8013		85,964	85,964
<i>Pass-Through from Excet, Inc.</i>		4072		4,871	4,871
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		PUGTVAREF/WELLS /W91YTZ13C		21,639	21,639
<i>Pass-Through from Galois, Inc.</i>		2016-001 (1ST INCREMENT)		181,569	181,569
<i>Pass-Through from General Dynamics</i>		08ESM832597		87,292	87,292
<i>Pass-Through from General Dynamics Information Technology, Inc.</i>		08ESM753983		70,084	70,084
<i>Pass-Through from General Dynamics Land Systems</i>		UTA16-000226 BE PO 40247858		26,235	26,235
<i>Pass-Through from Geomorph Information Systems, LLC</i>		9095-003		181,117	181,117
<i>Pass-Through from Georgia Institute of Technology</i>		RG131-S1		108,831	108,831
<i>Pass-Through from Georgia Tech Research Institute</i>		D7709-S3 1		279,769	279,769
<i>Pass-Through from Henry M. Jackson Foundation for the Advancement of Military Medicine</i>		827172		18,083	18,083
<i>Pass-Through from Honeywell Federal Manufacturing and Technologies, LLC</i>		UTA16-000224 PO 3501988081E		132,464	132,464

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Horstman, Inc.</i>		UTA12-000711 008		31,464	31,464
<i>Pass-Through from Horstman, Inc.</i>		UTA12-000711 015		27,080	27,080
<i>Pass-Through from Hrl Laboratories, LLC</i>		12081-300654-BS CHANGE TICE 9		(204)	(204)
<i>Pass-Through from Iap Research, Inc.</i>		52428		2,582	2,582
<i>Pass-Through from Ingenuity and Purpose</i>		JRS-000101 PR-50688		77,976	77,976
<i>Pass-Through from Innovital Systems</i>		IVS JOB S016-49 PO S016-49		12,731	12,731
<i>Pass-Through from Intraband, LLC</i>		UTA16-001077		85,082	85,082
<i>Pass-Through from Isogeometrx, LLC</i>		UTA16-000889		16,000	16,000
<i>Pass-Through from Issac Corp</i>		UTA16-000771		27,231	27,231
<i>Pass-Through from Issac Corp</i>		UTA16-000771 EMAIL DTD 32717		33,975	33,975
<i>Pass-Through from Johns Hopkins University</i>		SR00001694/W81XW H-10		3,786	3,786
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-10-2-0134		15,173	15,173
<i>Pass-Through from Knowledge Based Systems, Inc.</i>		SRS REF M1700380		33,148	33,148
<i>Pass-Through from Lockheed Martin Corporation</i>		PO# XS3605300E		222,253	222,253
<i>Pass-Through from Luna Innovations Incorporated</i>		342501-NVY-LS/UTA		9,723	9,723
<i>Pass-Through from Lynntech, Inc.</i>		W81XWH-16-C-0012		107,974	107,974
<i>Pass-Through from Lynntech, Inc.</i>		W911NF-15-P-0023		43	43
<i>Pass-Through from Lynntech, Inc.</i>		W911NF-16-C-0115		157,469	157,469
<i>Pass-Through from Mapp Biopharmaceutical, Inc.</i>		HDTRA113C0018		539,921	539,921
<i>Pass-Through from Mason and Hanger Group, Inc.</i>		MN01153101		51,021	51,021
<i>Pass-Through from Massachusetts Institute of Technology</i>		7000289364		230,904	230,904
<i>Pass-Through from Microsol Technologies, Inc.</i>		W909MY-16-C-0023		29,414	29,414
<i>Pass-Through from Mohawk Innovative Technology, Inc.</i>		UTA15-000809		9,122	9,122
<i>Pass-Through from Msi Stem Research and Development Consortium</i>		D01-W911SR-14-2- 0001		29,161	29,161
<i>Pass-Through from Nanohmics, Inc.</i>		UTA16-000773		41,837	41,837
<i>Pass-Through from Nanowatt Design, Inc.</i>		GN0007244		(14,291)	(14,291)
<i>Pass-Through from National Center for Defense Manufacturing and Machining</i>		20150247	61,585	448,226	509,811
<i>Pass-Through from Naval Postgraduate School</i>		N32398-14P-0382		264	264
<i>Pass-Through from Ncdmm</i>		UTA14-001417	35,000	229,179	264,179
<i>Pass-Through from Ness Engineering, Inc.</i>		W15QKN-16-C-0085		181,254	181,254
<i>Pass-Through from New Mexico State University</i>		Q01586 830832-1		169,908	169,908
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-05 CLIN 0001AA		197,620	197,620
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-06 CLIN 0001AA		563,828	563,828
<i>Pass-Through from North Carolina State University</i>		H98230-13-D-0054		78,403	78,403
<i>Pass-Through from Ntess, LLC - National Technology and Engineering Solutions of Sandi</i>		1679489		73,626	73,626
<i>Pass-Through from Numerica Corporation</i>		1206-000-01		162,159	162,159
<i>Pass-Through from Numerica Corporation</i>		1212-000-01		82,981	82,981
<i>Pass-Through from Ohio State University</i>		60052491PO RF01423516 LOA #1 (SHVETS)		154,005	154,005
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-001219		50,000	50,000
<i>Pass-Through from Orbit Logic Incorporated</i>		FA9451-16-C-0405UT UTA16-000246		32,554	32,554
<i>Pass-Through from Orbit Logic Incorporated</i>		UTA16-001176		36,945	36,945
<i>Pass-Through from Paratus Diagnostics</i>		8000002677		4,977	4,977
<i>Pass-Through from Qatar University</i>		7-794-1-145		29,684	29,684

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Qualia, Inc.</i>		D17PC00111		70,346	70,346
<i>Pass-Through from Raytheon Bbn Technologies Corporation</i>		14524 (FIRST INCREMENT)- PO 9500012841		3,296	3,296
<i>Pass-Through from Raytheon Bbn Technologies Corporation</i>		14524 2 (PHASE II) SLIN 0002		22,280	22,280
<i>Pass-Through from Regents of the University of Colorado</i>		1555245		14,717	14,717
<i>Pass-Through from Robotic Research, LLC</i>		RPP20-UTA	(17)	(17)	(17)
<i>Pass-Through from Sandia National Laboratories</i>		1233924	(29)	(29)	(29)
<i>Pass-Through from Sandia National Laboratories</i>		1763959		79,197	79,197
<i>Pass-Through from Scientific Applications and Research Associates, Inc.</i>		DTRA11 SCI		53,224	53,224
<i>Pass-Through from Silicon Audio Labs</i>		FA9550-16-C-0036 UTA16-000710		184,894	184,894
<i>Pass-Through from Soar Technology, Inc.</i>		10248 01		203,529	203,529
<i>Pass-Through from Southwest Research Institute</i>		-H99033RI	(16,165)	(16,165)	(16,165)
<i>Pass-Through from Spectral Energies, LLC</i>		SB1201-001-2		45,266	45,266
<i>Pass-Through from Sri International</i>		19-000266 SRI-266		3,286	3,286
<i>Pass-Through from Stanford University</i>		61102421-118342		110,752	110,752
<i>Pass-Through from Tda Research, Inc.</i>		AJ 1309 TTU 16 01		24,097	24,097
<i>Pass-Through from Technical Data Analysis, Inc.</i>		1073-017-07		30,400	30,400
<i>Pass-Through from Technical Data Analysis, Inc.</i>		2005-001-01 03	(10,511)	(10,511)	(10,511)
<i>Pass-Through from Texas High Energy Materials</i>		M1701990		15,795	15,795
<i>Pass-Through from Texas Research Institute Austin, Inc.</i>		A7518-500-01-15- SC1589		110,167	110,167
<i>Pass-Through from Texas Research Institute Austin, Inc.</i>		F7612-500-01-SC1633		24,811	24,811
<i>Pass-Through from Thermavant</i>		UTA-TAT-P2-041515		83,654	83,654
<i>Pass-Through from Tulane University</i>		TUL-SCC-553201- 15/16		37,760	37,760
<i>Pass-Through from Universal Technology Corporation</i>		17-S8401-10-C1		17,375	17,375
<i>Pass-Through from University of Colorado - Boulder</i>		CU-445773-3 PO 1000624437		11,594	11,594
<i>Pass-Through from University of Dayton Research Institute</i>		RSC17023		98,735	98,735
<i>Pass-Through from University of Maryland</i>		2014-1407160012		254,452	254,452
<i>Pass-Through from University of Maryland</i>		46731-Z8458101		46,313	46,313
<i>Pass-Through from University of Maryland</i>		48190-Z8436101		12,785	12,785
<i>Pass-Through from University of Maryland</i>		Z9190103		21,000	21,000
<i>Pass-Through from University of Michigan</i>		3003563281		193,180	193,180
<i>Pass-Through from University of Pennsylvania</i>		566321 PO 3475881		90,430	90,430
<i>Pass-Through from University of Pittsburgh</i>		0043845-7		11,162	11,162
<i>Pass-Through from University of Pittsburgh</i>		W81XWH-14-2-0003		6,148	6,148
<i>Pass-Through from University Research Foundation, Inc.</i>		PO# 11647		68,473	68,473
<i>Pass-Through from Wildlife Conservation Society</i>		SERDP110515-117		262,260	262,260
<i>Pass-Through from Wyle Laboratories</i>		A10522-0005-S006 APSC02114 PO		44,883	44,883
<i>Pass-Through from Wyle Laboratories</i>		A10552-005-S007		191,007	191,007
<i>Pass-Through from Wyle Laboratories</i>		T72431/FA8650-12-D-6	(63)	(63)	(63)
<i>Pass-Through from Xi Scientific, LLC</i>		1050-001		24,000	24,000
<i>Pass-Through from Zymergen, Inc.</i>		UTA15-000540 PO #4286		119,223	119,223
<i>Pass-Through from Zyvex</i>		UTA15-001288		182,604	182,604
<i>Pass-Through from Zyvex Labs, LLC</i>		17-0234		134,351	134,351
<i>Pass-Through from Zyvex Labs, LLC</i>		FA8650-15-C-7542		36,913	36,913
<i>Pass-Through from Zyvex Labs, LLC</i>		W911NF-13-1-0470		(84,392)	(84,392)
Total - CFDA 12.XXX				2,015,461	47,317,093

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
Beach Erosion Control Projects	12.101			25,489	25,489
Flood Control Projects	12.106			4,351	4,351
Navigation Projects	12.107			84,812	84,812
<i>Pass-Through from Ecs - Gec Jv</i>		W91237-16-D-0002 3 - WO 1		97,862	97,862
Total - CFDA 12.107			0	182,674	182,674
Collaborative Research and Development	12.114			62,825	62,825
<i>Pass-Through from Giner, Inc.</i>		SRS #M1600747		195,979	195,979
<i>Pass-Through from Halcyon Biomedical, Inc.</i>		HB-UH-001		1,400	1,400
<i>Pass-Through from Katmai Information Technologies, LLC</i>		M1602622		19,564	19,564
<i>Pass-Through from Lynntech, Inc.</i>		SRS REF M1700604		13,350	13,350
<i>Pass-Through from Massachusetts Institute of Technology</i>		7000339119		19,027	19,027
<i>Pass-Through from Townson University</i>		22		57,671	57,671
<i>Pass-Through from Virginia Commonwealth University</i>		8000002348		26,411	26,411
Total - CFDA 12.114			0	396,227	396,227
Estuary Habitat Restoration Program	12.130				
<i>Pass-Through from Katmai Information Technologies, LLC</i>		M1602452		109,571	109,571
<i>Pass-Through from Katmai Information Technologies, LLC</i>		M1602454		438	438
Total - CFDA 12.130			0	110,009	110,009
Basic and Applied Scientific Research	12.300		1,952,769	75,930,300	77,883,069
<i>Pass-Through from Academy of Applied Science</i>		2017- UNIVOFTXELPASO- SRS REF# M1701332 N-59		673	673
<i>Pass-Through from Accacia International</i>		SRS REF# M1701332		12,291	12,291
<i>Pass-Through from Acree Technologies, Inc.</i>		N-59		18,833	18,833
<i>Pass-Through from Applied Research in Acoustics, LLC</i>		UTA16-001018		156,734	156,734
<i>Pass-Through from Carnegie Mellon University</i>		1141255-337233		48,407	48,407
<i>Pass-Through from Duke University</i>		14-ONR-1005		57,879	57,879
<i>Pass-Through from Duke University</i>		14-ONR-1123		89,062	89,062
<i>Pass-Through from Duke University</i>		16-ONR-1003		48,114	48,114
<i>Pass-Through from Duke University</i>		313-0620		45,040	45,040
<i>Pass-Through from Duke University</i>		N00014-16-1-2327		10,576	10,576
<i>Pass-Through from Florida State University</i>		R01853		108,179	108,179
<i>Pass-Through from Florida State University</i>		R01853 2 LOA #1		70,684	70,684
<i>Pass-Through from Florida State University</i>		R01853 2 LOA #2		26,123	26,123
<i>Pass-Through from Florida State University</i>		R01853 2 LOA #3		60,716	60,716
<i>Pass-Through from Florida State University</i>		R01853 2 LOA #4		75,020	75,020
<i>Pass-Through from Florida State University</i>		R01853 2 LOA #5		20,370	20,370
<i>Pass-Through from Florida State University</i>		R01853 LOA #6		30,831	30,831
<i>Pass-Through from Georgia Institute of Technology</i>		RC217-G3		67,608	67,608
<i>Pass-Through from Georgia Institute of Technology</i>		RE195-G1		45,486	45,486
<i>Pass-Through from Georgia Institute of Technology</i>		RH322-G1 PO #3600371239		109,276	109,276
<i>Pass-Through from Harvard University</i>		FA8750-17-2-0114		43,754	43,754
<i>Pass-Through from Helicon Chemical Company, LLC</i>		503096		1	1
<i>Pass-Through from Helicon Chemical Company, LLC</i>		SRS REF M1600953		20,002	20,002
<i>Pass-Through from High Rez Consulting, LLC</i>		UTA16-000782 HIREZ- 782		23,757	23,757
<i>Pass-Through from Ibc Materials and Technologies, Inc.</i>		M1602538		32,744	32,744
<i>Pass-Through from Innovative Decisions, Inc.</i>		IDI-TAMU-1213-2012		52,727	52,727

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Johns Hopkins University</i>		103318 CLIN 2 PROJ R4T03 JHUAPL		202,612	202,612
<i>Pass-Through from Johns Hopkins University Applied Physics Laboratory</i>		107895 JHU-135759		66,636	66,636
<i>Pass-Through from National Marine Mammal Foundation</i>		NN00014-15-1-2327		140,529	140,529
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0711-01		399,834	399,834
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0711-02		255,762	255,762
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0711-03		552,635	552,635
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0711-04		3,262,463	3,262,463
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0721-01-1		682,479	682,479
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0721-01-9		(2)	(2)
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-10-1 CLIN 1001		4	4
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-10-2 CLIN 1011		5	5
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-10-3 CLIN 1021		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-11-1 CLIN 1001		323	323
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-11-2 CLIN 1011		(9,204)	(9,204)
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-11-9		61	61
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-12-1 CLIN 1001		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-12-2 CLIN 1011		2	2
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-12-3 CLIN 1021		2	2
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-13-1 CLIN 1001		2	2
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-14-1 CLIN 1001		2	2
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-14-2 CLIN 1011		3	3
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-15-1 CLIN 2001		481,860	481,860
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-15-2 CLIN 2011		242,691	242,691
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-16-1 CLIN 2021		709,450	709,450
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-16-19		32,636	32,636
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-16-2 CLIN 2011		472,976	472,976
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-16-29		8,906	8,906
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-16-3 CLIN 2001		405,750	405,750
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-16-39		15,987	15,987
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-17-1 CLIN 2001		375,886	375,886
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-18-1 CLIN 2001		291,874	291,874
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-19-1 CLIN 2001		361,064	361,064
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-20-1 CLIN 2001		151,574	151,574
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-22-1 CLIN 2001		258,826	258,826
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-22-2 CLIN 2011		297,311	297,311
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-22-3 CLIN 2021		68,350	68,350
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-23-1 CLIN 3001AB		127,158	127,158
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-23-2 CLIN 3011AB		27,652	27,652
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-24-1 CLIN 3001AB		167,775	167,775
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-25-1 CLIN 3001AB		198,595	198,595
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-25-19		213,701	213,701
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-25-2 CLIN 3011AB		45,919	45,919
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-25-29		30,803	30,803
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-26-1 CLIN 3001AA		23,995	23,995
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-26-2 CLIN 3011AA		31,741	31,741

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-26-3 CLIN 3021AA		30,517	30,517
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-29-1 CLIN 3001AA		22,642	22,642
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-29-3 CLIN 3011AA		20,228	20,228
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-9-1 CLIN 1001		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-9-2 CLIN 1011		2	2
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-9-3 CLIN 1021		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-02		1,958,153	1,958,153
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-03		(5)	(5)
<i>Pass-Through from North Carolina Agricultural and Technical State University</i>		#210158B		214,149	214,149
<i>Pass-Through from Northwestern University</i>		SP0030277- PROJ0008095		64,269	64,269
<i>Pass-Through from Princeton University</i>		0000022		189,791	189,791
<i>Pass-Through from Princeton University</i>		0000022LOA #1 MAC NALD		141,749	141,749
<i>Pass-Through from Princeton University</i>		N00014-12-1-0875		66,320	66,320
<i>Pass-Through from Princeton University</i>		N00014-12-1-0962		22,980	22,980
<i>Pass-Through from Princeton University</i>		N00014-13-1-0458		42,330	42,330
<i>Pass-Through from Rutgers University</i>		0000003 PO 562969		91,500	91,500
<i>Pass-Through from Systems and Materials Research Corporation</i>		8000002733		12,739	12,739
<i>Pass-Through from Terviva Bioenergy, Inc.</i>		M1700173		85,156	85,156
<i>Pass-Through from United States Air Force</i>		FA8650-16-2-6701		54,887	54,887
<i>Pass-Through from University of California - Irvine</i>		N00014-16-1-2741		76,344	76,344
<i>Pass-Through from University of Chicago</i>		N00014-16-1-2327		56,971	56,971
<i>Pass-Through from University of Colorado</i>		N00014-11-1-0691		738	738
<i>Pass-Through from University of Colorado - Boulder</i>		CU-445773 PROJ 1555003 PO 1000787622		1,559	1,559
<i>Pass-Through from University of Michigan</i>		201603598		20,483	20,483
<i>Pass-Through from University of Michigan</i>		N00014-12-1-0874		60,931	60,931
<i>Pass-Through from University of Minnesota</i>		A002181202		135,789	135,789
<i>Pass-Through from University of Mississippi</i>		17-09-022		191,824	191,824
<i>Pass-Through from University of Oregon</i>		236700A		154,734	154,734
<i>Pass-Through from University of Tennessee</i>		A15-1053-S001		107,555	107,555
<i>Pass-Through from Virginia Tech University</i>		N00014-08-1-0654		(48)	(48)
<i>Pass-Through from William Marsh Rice University</i>		R18681		478,417	478,417
<i>Pass-Through from William Marsh Rice University</i>		R19011		52,334	52,334
<i>Pass-Through from William Marsh Rice University</i>		R19092		309,511	309,511
<i>Pass-Through from Woods Hole Group, Inc.</i>		N00014-14-1- 0773/A101062		8,592	8,592
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A100846		39,931	39,931
<i>Pass-Through from Yale University</i>		C16K12462(K00196)		68,374	68,374
Total - CFDA 12.300			1,952,769	92,583,265	94,536,034
Navy Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance	12.335			3,373	3,373
<i>Pass-Through from Advanced Cooling Technologies, Inc.</i>		24799		6	6
<i>Pass-Through from Lymntech, Inc.</i>		M1700067		13,767	13,767
Total - CFDA 12.335			0	17,146	17,146
Scientific Research - Combating Weapons of Mass Destruction	12.351		540,223	3,353,747	3,893,970
<i>Pass-Through from Clemson University</i>		1862-205-2011390		39,618	39,618

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Crdf Global</i>		SSGX-16-62820-0		9,710	9,710
<i>Pass-Through from Georgia State University</i>		HDTRA11610013		152,796	152,796
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		HDTRA11210051		(817)	(817)
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		HDTRA11410013		7,337	7,337
<i>Pass-Through from Los Alamos National Laboratory</i>		330920		27	27
<i>Pass-Through from Science Applications International Corporation</i>		B8270		156,776	156,776
<i>Pass-Through from Science Applications International Corporation</i>		P010113936		210,249	210,249
<i>Pass-Through from University of New Mexico Board of Regents</i>		433453-87Z1		20,747	20,747
<i>Pass-Through from Vanderbilt University</i>		HDTRA11310034		(73,154)	(73,154)
<i>Pass-Through from Vanderbilt University Medical Center</i>		HDTRA1-13-1-0034		316,921	316,921
<i>Pass-Through from World Organisation for Animal Health</i>		AD/ET/2016/293		170,888	170,888
Total - CFDA 12.351			540,223	4,364,845	4,905,068
Research on Chemical and Biological Defense	12.360				
<i>Pass-Through from Profectus Biosciences Incorporated</i>		W911QY1410001		686,147	686,147
<i>Pass-Through from Profectus Biosciences Incorporated</i>		W911QY1510014		187,903	187,903
Total - CFDA 12.360			0	874,050	874,050
National Guard Military Operations and Maintenance (O&M) Projects	12.401			16,233	16,233
Military Medical Research and Development	12.420		2,638,480	25,261,118	27,899,598
<i>Pass-Through from American Burn Association</i>		W81XWH0810760		19,289	19,289
<i>Pass-Through from American Burn Association</i>		W81XWH0920194		17,152	17,152
<i>Pass-Through from American Burn Association</i>		W81XWH-09-2-0194		116,417	116,417
<i>Pass-Through from American Burn Association</i>		W81XWH1110835		20,539	20,539
<i>Pass-Through from American Burn Association</i>		W81XWH-11-1-0835		4,422	4,422
<i>Pass-Through from Baylor College of Medicine</i>		W81XWH1310286		(358)	(358)
<i>Pass-Through from Boston University</i>		4500001734/W81XWH-14		596,753	596,753
<i>Pass-Through from Boston University</i>		W81XWH-11-2-016104		86,980	86,980
<i>Pass-Through from Boston Va Research Institute, Inc.</i>		0204FEDA/W81XWH-15-1-0391		425,243	425,243
<i>Pass-Through from Brainscope Company, Inc.</i>		W81XWH-14-C-1405		1,134	1,134
<i>Pass-Through from Brainscope Company, Inc.</i>		W911QY14C0097		1,134	1,134
<i>Pass-Through from Children's Research Institute</i>		W81XWH-15-1-0334		25,200	25,200
<i>Pass-Through from Christopher and Dana Reeve Foundation</i>		CTN12-2016(KS)		39,391	39,391
<i>Pass-Through from Christopher and Dana Reeve Foundation</i>		CTN13-2017(KS)		44,239	44,239
<i>Pass-Through from Emory University</i>		W81XWH-16-1-0744		101,133	101,133
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		PUG DEPI50013-UTHSCSA/W8		44,422	44,422
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		ROYALL		63,519	63,519
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		D/UTHSCSA			
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		W81XWH-14-1-0606		37,413	37,413
<i>Pass-Through from Geneva Foundation</i>		S-1424-01		34,129	34,129
<i>Pass-Through from Geneva Foundation</i>		W81XWH-06-2-0033		12,289	12,289
<i>Pass-Through from Geneva Foundation</i>		W81XWH-13-2-0011		24,128	24,128
<i>Pass-Through from Geneva Foundation</i>		W81XWH-13-2-0011/S-1274-02		10,187	10,187
<i>Pass-Through from Huntington Medical Research Institutes</i>		2780-4		40,529	40,529
<i>Pass-Through from Indiana University</i>		W81XWH-10-1-054001		(1)	(1)
<i>Pass-Through from Johns Hopkins University</i>		1R01AR064066-01		351	351

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Johns Hopkins University</i>		2002901075/W81XWH-15		105,772	105,772
<i>Pass-Through from Johns Hopkins University</i>		OXYGEN/SR00002886		13,142	13,142
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-10-2-0090		7,410	7,410
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-09-02-0108		2,063	2,063
<i>Pass-Through from Johns Hopkins University</i>		W81XWH0920108		153	153
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-09-2-0108		39,334	39,334
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-10-2-0090		61,705	61,705
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-14-2-0189 / 2002478699		989	989
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-15-2-0067 / 2002954944		41,867	41,867
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		W81XWH-12-1-0464		47,579	47,579
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		W81XWH-14-1-0072		173,333	173,333
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		W81XWH-14-10620		15,544	15,544
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		W81XWH-14-1-0620		19,688	19,688
<i>Pass-Through from Livionex Incorporated</i>		SR09		30,775	30,775
<i>Pass-Through from Manzanita Pharmaceuticals, Inc.</i>		13273014-TX-2		254,735	254,735
<i>Pass-Through from Massachusetts General Hospital</i>		W81XWH-16-2-0038		95,657	95,657
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		W81XWH-10-1-0699		117,148	117,148
<i>Pass-Through from Methodist Hospital Research Institute</i>		AGMT 18130020-128		140,173	140,173
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81-XWH-10-2-0125		(3,871)	(3,871)
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-10-2-0125 01		(418)	(418)
<i>Pass-Through from National Trauma Institute</i>		NTI-MIMIC17-03/W81XWH1720		45,775	45,775
<i>Pass-Through from National Trauma Institute</i>		NTI-NCH-10-020C		165	165
<i>Pass-Through from National Trauma Institute</i>		NTI-NTRR15-09		39,330	39,330
<i>Pass-Through from National Trauma Institute</i>		NTI-NTRR15-11/W81XWH		9,300	9,300
<i>Pass-Through from National Trauma Institute</i>		NTI-NTRR15-16/W81XWH-15-2		57,361	57,361
<i>Pass-Through from Northwestern University</i>		60036428 UTA		58,594	58,594
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		U10CA18086801		59,856	59,856
<i>Pass-Through from Ohio State University</i>		60051953		14,667	14,667
<i>Pass-Through from Prytime Medical Devices, Inc.</i>		W911QY-15-C-0099		159,335	159,335
<i>Pass-Through from Rti International</i>		W81XWH-15-2-0077		28,265	28,265
<i>Pass-Through from Southwest Texas Regional Advisory Council</i>		STRAC-REMTORN-001		244,288	244,288
<i>Pass-Through from Sri International</i>		W81XWH1210223		58,437	58,437
<i>Pass-Through from Texas Biomedical Research Institute</i>		13-04423 003 SCINTO		25,801	25,801
<i>Pass-Through from Theranova, LLC</i>		W81XWH16C0117		3,309	3,309
<i>Pass-Through from Uc Davis School of Medicine Office of Research</i>		201600536-01/W81XWH162001		68,320	68,320
<i>Pass-Through from University of Central Florida</i>		24096036-01		245,613	245,613
<i>Pass-Through from University of Cincinnati</i>		W81XWH-16-C-0161		70,598	70,598
<i>Pass-Through from University of Delaware</i>		41018		3,124	3,124
<i>Pass-Through from University of Florida</i>		UFDSP00010257		120,212	120,212
<i>Pass-Through from University of Missouri - St. Louis</i>		00050555-1/W81XWH-13		43,477	43,477
<i>Pass-Through from University of Oklahoma</i>		W81XWH-14-1-0228		207	207
<i>Pass-Through from University of Pennsylvania</i>		551097/W81XWH-08-2-0111		170,845	170,845
<i>Pass-Through from University of Pennsylvania</i>		565318/W91XWH-14-1-0		333,390	333,390
<i>Pass-Through from University of Pennsylvania</i>		PETERSON/U PENN		40,405	40,405

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from University of Pennsylvania</i>		W81XWH-15-1-0555		257,995	257,995
<i>Pass-Through from University of Pittsburgh</i>		0035859(409685-1)		75,677	75,677
<i>Pass-Through from University of Pittsburgh</i>		W81XWH-12-2-0023		48,446	48,446
<i>Pass-Through from University of Utah</i>		10023735/W81XWH-10-2		(3,342)	(3,342)
<i>Pass-Through from University of Washington</i>		UWSC5341		(9,716)	(9,716)
<i>Pass-Through from University of Washington</i>		UWSC8843		(13,141)	(13,141)
<i>Pass-Through from University of Washington</i>		W81XWH-13-2-0090		217,148	217,148
<i>Pass-Through from University of Washington</i>		W81XWH-13-2-0093		615,501	615,501
<i>Pass-Through from US Army Medical Research Acquisition Activity</i>		W81XWH-14-1-0340		192,423	192,423
<i>Pass-Through from Vanderbilt University</i>		2437-017449/WFUHS		10,811	10,811
<i>Pass-Through from Wake Forest University Health Sciences</i>		W81XWH-14-2-0004		15,061	15,061
<i>Pass-Through from Wake Forest University Health Sciences</i>		WFUHS441055 ER-05		41,267	41,267
<i>Pass-Through from Zoll Medical Corporation</i>		W81XWH-12-C-0181		4,852	4,852
Total - CFDA 12.420			2,638,480	31,543,186	34,181,666
Basic Scientific Research	12.431		1,595,700	8,920,865	10,516,565
<i>Pass-Through from BAE Systems</i>		882235		103,489	103,489
<i>Pass-Through from Clemson University</i>		1734-201-2010192		43,986	43,986
<i>Pass-Through from Drexel University</i>		202329		73,897	73,897
<i>Pass-Through from George Mason University</i>		E203528-1		36,095	36,095
<i>Pass-Through from Georgia Institute of Technology</i>		RH541-G2		39,154	39,154
<i>Pass-Through from Iowa State University</i>		421-20-27A		(2,584)	(2,584)
<i>Pass-Through from Northeastern University</i>		504062-78052		38,004	38,004
<i>Pass-Through from Northeastern University</i>		W911NF-15-2-0026		425,851	425,851
<i>Pass-Through from Northwestern University</i>		SP0036191-PROJ0009952		56,445	56,445
<i>Pass-Through from Ohio State University</i>		PO#		234,816	234,816
<i>Pass-Through from Penn State University</i>		RF0135582260043375			
<i>Pass-Through from Science Applications International Corporation</i>		5588-UTA-ARO-0019		52,860	52,860
<i>Pass-Through from Silicon Informatics, Inc.</i>		P010210815		(494)	(494)
<i>Pass-Through from Stanford University</i>		SI-2012-001		144,233	144,233
<i>Pass-Through from Superpower, Inc.</i>		60300261-107307-B		334,551	334,551
<i>Pass-Through from Temple University of the Commonwealth System</i>		W911NF-12-2-0044		3,514	3,514
<i>Pass-Through from University of California - Los Angeles</i>		259411-UNT		2,251,138	2,251,138
<i>Pass-Through from University of Canterbury</i>		0160 G UA558		135,265	135,265
<i>Pass-Through from University of Illinois - Champaign</i>		W911NF-11-1-0481(2)		2,653	2,653
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		051467-16091		212,956	212,956
<i>Pass-Through from University of Maryland</i>		2010-04989-04		83,442	83,442
<i>Pass-Through from University of Maryland</i>		18691-Z8533001		132,930	132,930
<i>Pass-Through from University of Massachusetts - Lowell</i>		Z845803		159,161	159,161
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		8000002596		47,484	47,484
<i>Pass-Through from University of Pittsburgh</i>		20130358-01-UTX		1,194	1,194
<i>Pass-Through from University of Pittsburgh</i>		004815 (411221-1)		15,713	15,713
Total - CFDA 12.431			1,595,700	13,546,618	15,142,318
The Language Flagship Grants to Institutions of Higher Education	12.550				
<i>Pass-Through from Institute of International Education</i>		0054-UTA-19-HSH-280-PO5		706	706
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-HIN-D 3		(16,433)	(16,433)

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT- HIN-O		232	232
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT- HIN-O 3		(232)	(232)
Total - CFDA 12.550			0	(15,727)	(15,727)
DOD, NDEP, DOTC-STEM Education Outreach Implementation	12.560				
<i>Pass-Through from Helicon Chemical Company, LLC</i>		M1701443		76,783	76,783
Centers for Academic Excellence	12.598			295,485	295,485
Basic, Applied, and Advanced Research in Science and Engineering	12.630		76,728	8,409,603	8,486,331
<i>Pass-Through from Academy of Applied Science</i>		02-405611-2016-17		20,000	20,000
<i>Pass-Through from Academy of Applied Science</i>		2017-UTA-1		864	864
<i>Pass-Through from Academy of Applied Science</i>		SG-16-104/SG-16-105		3,999	3,999
<i>Pass-Through from American Lightweight Materials Manufacturing Innovation Institute</i>		0003A-6		142,796	142,796
<i>Pass-Through from Dcs Corporation</i>		APX02-0002 #0005		53,431	53,431
<i>Pass-Through from Dcs Corporation</i>		W911NF-10-D-0002	69,185	11,750	80,935
<i>Pass-Through from Johns Hopkins University</i>		2001645112/96017064		85,390	85,390
<i>Pass-Through from Lynntech, Inc.</i>		SRS REF # M1602824		25,114	25,114
<i>Pass-Through from Pennsylvania State University</i>		5589-UTEP-ARMY- 0045	43,000	75,576	118,576
<i>Pass-Through from Shear Form, Inc.</i>		M1600968		31,572	31,572
Total - CFDA 12.630			188,913	8,860,095	9,049,008
Legacy Resource Management Program	12.632			199,155	199,155
<i>Pass-Through from Ohio State University</i>		60057144		10,299	10,299
Total - CFDA 12.632			0	209,454	209,454
Uniformed Services University Medical Research Projects	12.750				
<i>Pass-Through from Geneva Foundation</i>		S-1315-02		37,857	37,857
<i>Pass-Through from Henry M. Jackson Foundation</i>		# 2973 8/1/15 - 3/27/17		2,060	2,060
<i>Pass-Through from Henry M. Jackson Foundation</i>		870237		1,725	1,725
<i>Pass-Through from Henry M. Jackson Foundation for the Advancement of Military Medicine</i>		PO849706 AWD2996		6,085	6,085
Total - CFDA 12.750			0	47,727	47,727
Air Force Defense Research Sciences Program	12.800		2,203,357	10,826,330	13,029,687
<i>Pass-Through from Applied Defense Solutions, Inc.</i>		M1502626		807	807
<i>Pass-Through from Asian Office of Aerospace Research and Dev</i>		FA2386-13-1-4119		347	347
<i>Pass-Through from Brayton Energy, LLC</i>		OSD13-PR5-1		90,343	90,343
<i>Pass-Through from Brown University</i>		00000557 PO#P280811		151,635	151,635
<i>Pass-Through from Case Western Reserve University</i>		RES506636		121,080	121,080
<i>Pass-Through from Case Western Reserve University</i>		RES510258		72,322	72,322
<i>Pass-Through from Cfd Research Corporation</i>		20160269		45,998	45,998
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		008043-007		32,044	32,044
<i>Pass-Through from Clarkson Aerospace Corporation</i>		13-S7700-01-C1		13,914	13,914
<i>Pass-Through from Clarkson Aerospace Corporation</i>		FA8650-13-C-5800		17,443	17,443
<i>Pass-Through from Clarkson Aerospace Corporation</i>		PVAM 16-S7700-03-C2		72,788	72,788

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Clarkson Aerospace Corporation</i>		PVAM UDC 14-S7700-02-C3		4,382	4,382
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU 13-S7700-01-C2		70,701	70,701
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU 13-S7700-02-C2		42,526	42,526
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU 14-S7700-02-C2		(1,975)	(1,975)
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU CS 15-S-0234		93,878	93,878
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UH CS 15-S-0234		(8,793)	(8,793)
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UHH-13-S7700-01-C2		44,088	44,088
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UHM 13-S7700-01-C1		37,480	37,480
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UHV-15-S7700-01-C2		39,272	39,272
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UHW 16-S7700-03-C2		40,967	40,967
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTEP 15 S7700-01-C2		47,029	47,029
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTSA 15-S7700-01-C2		74,976	74,976
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTSA A16-S7700-03-C2		32,600	32,600
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTSA M16-S7700-03-C2		48,127	48,127
<i>Pass-Through from Cobham Sensor Systems</i>		FA8650-11-C-7186		(15,163)	(15,163)
<i>Pass-Through from Engility Corporation</i>		0010466		33,231	33,231
<i>Pass-Through from Exoanalytic Solutions, Inc.</i>		S1604-TAMU-0487		65,033	65,033
<i>Pass-Through from Florida State University</i>		R01748		87,139	87,139
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		AHUUSAF/UTHSCSA /FA8650-17		95,048	95,048
<i>Pass-Through from Georgia Institute of Technology</i>		8000002321		41,172	41,172
<i>Pass-Through from Georgia Institute of Technology</i>		D8052-S1		53,863	53,863
<i>Pass-Through from Harvard University</i>		M1602374		35,449	35,449
<i>Pass-Through from Intelligent Fusion Technology, Inc.</i>		IFT022-1		26,553	26,553
<i>Pass-Through from Iowa State University</i>		421-21-03C		252,654	252,654
<i>Pass-Through from Leidos, Inc.</i>		P01010193472		94,684	94,684
<i>Pass-Through from Lockheed Martin Corporation</i>		PO# XH3583790E		3,688	3,688
<i>Pass-Through from Lynntech, Inc.</i>		21016		20,328	20,328
<i>Pass-Through from Lynntech, Inc.</i>		M1502803		(162)	(162)
<i>Pass-Through from Lynntech, Inc.</i>		M1603379		50,300	50,300
<i>Pass-Through from Lynntech, Inc.</i>		M1700342		40,605	40,605
<i>Pass-Through from Lynntech, Inc.</i>		M1700571		47,078	47,078
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003842		195,315	195,315
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710004048		43,012	43,012
<i>Pass-Through from Mcgaw Technology, Inc.</i>		M1701387		16,894	16,894
<i>Pass-Through from Nanohmics, Inc.</i>		8000002711		8,046	8,046
<i>Pass-Through from National Center for Defense Manufacturing and Machining</i>		FA8650-12-2-7230		510,628	510,628
<i>Pass-Through from National Central University</i>		110501		(1,364)	(1,364)
<i>Pass-Through from New York University</i>		F4359-01 PO IB00001336		53,120	53,120
<i>Pass-Through from Northrop Grumman Corporation</i>		2859431	10,006	8,636	18,642
<i>Pass-Through from Northrop Grumman Corporation</i>		FA8803-05-0-0001		334,738	334,738
<i>Pass-Through from Northwestern University</i>		SP0022325- PROJ0007152 2(WEXT)		246,270	246,270
<i>Pass-Through from Ohio Aerospace Institute</i>		M1503795		127,227	127,227
<i>Pass-Through from Ohio State University</i>		60052491PO RF01423516		209,291	209,291

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Ohio State University</i>		RF01344603		(121)	(121)
<i>Pass-Through from Old Dominion University Research Foundation</i>		16-138-300345-010		64,371	64,371
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8039-S1		5,769	5,769
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8045-S1		91,746	91,746
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8046-S1		9,985	9,985
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		M1602121		(12,341)	(12,341)
<i>Pass-Through from Stanford University</i>		60803373-114411		455,224	455,224
<i>Pass-Through from State University of New York Binghamton</i>		FA9550-14-1-0227		87,650	87,650
<i>Pass-Through from Stratasy Inc</i>		GIT 129247		16,059	16,059
<i>Pass-Through from Technology Service Corporation</i>		TSC-1064-40066		2,078	2,078
<i>Pass-Through from Ues, Inc.</i>		S-109-ID8-001		25,371	25,371
<i>Pass-Through from Universal Technology Corporation</i>		14-S7405-16-C1		39,300	39,300
<i>Pass-Through from Universal Technology Corporation</i>		15-S7412-08-C1		37,481	37,481
<i>Pass-Through from Universal Technology Corporation</i>		17-S7700-01-C5		40,076	40,076
<i>Pass-Through from Universal Technology Corporation</i>		FA8650-11-D-5800		39,404	39,404
<i>Pass-Through from University at Buffalo - Suny</i>		M1702782		9,811	9,811
<i>Pass-Through from University at Buffalo - Suny</i>		R1083246		14,716	14,716
<i>Pass-Through from University of Akron</i>		TEES-535030		58,908	58,908
<i>Pass-Through from University of Akron</i>		TEES-540333		21,901	21,901
<i>Pass-Through from University of Akron</i>		TEES-540781/PO 88877		74,682	74,682
<i>Pass-Through from University of Alabama - Tuscaloosa</i>		FA9550-14-1-0227		98,785	98,785
<i>Pass-Through from University of Arizona</i>		226258		326,292	326,292
<i>Pass-Through from University of Cincinnati</i>		FA86501726G24		43,396	43,396
<i>Pass-Through from University of Colorado</i>		1552153		90,995	90,995
<i>Pass-Through from University of Dayton Research Institute</i>		RSC15078		72,028	72,028
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		FA9550-14-1-0101		48,295	48,295
<i>Pass-Through from University of Maryland - College Park</i>		: FA9550-14-1-0019		411,709	411,709
<i>Pass-Through from University of Michigan</i>		3003832420/3004102678		89,959	89,959
<i>Pass-Through from University of Michigan</i>		3003932306		41,994	41,994
<i>Pass-Through from University of Pittsburgh</i>		0049297		20,333	20,333
<i>Pass-Through from University of Tennessee - Chattanooga</i>		A16-1171-S001		53,309	53,309
<i>Pass-Through from University of Washington</i>		757225/UWSC7426		22,009	22,009
<i>Pass-Through from Utah State University</i>		8000002168		(297)	(297)
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		450321-19093		77,022	77,022
<i>Pass-Through from William Marsh Rice University</i>		FA9550-12-1-0035		40,733	40,733
Total - CFDA 12.800			2,213,363	17,212,254	19,425,617
Language Grant Program	12.900			79,230	79,230
Mathematical Sciences Grants	12.901			40,550	40,550
Information Security Grants	12.902			775,651	775,651
<i>Pass-Through from Carnegie Mellon University</i>		1130172-326101		62,013	62,013
<i>Pass-Through from Mississippi State University</i>		193500 360648 01		2,923	2,923
<i>Pass-Through from Stevens Institute of Technology</i>		2102560-01		9,584	9,584
Total - CFDA 12.902			0	850,171	850,171

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
Research and Technology Development	12.910		344,844	5,289,907	5,634,751
<i>Pass-Through from Baylor College of Medicine</i>		N66001-14-1-402		(227)	(227)
<i>Pass-Through from Boeing Company</i>		972614		(9,405)	(9,405)
<i>Pass-Through from California Institute of Technology</i>		68A-1093709		46,219	46,219
<i>Pass-Through from Columbia University</i>		1(GG012588)		45,533	45,533
<i>Pass-Through from Creativ Microtech, Inc.</i>		W911NF-14-C-0098		2,387	2,387
<i>Pass-Through from Johns Hopkins University</i>		2003377937		84,664	84,664
<i>Pass-Through from Kestrel Institute</i>		15-C-0007-UT- AUSTIN #41115		184,289	184,289
<i>Pass-Through from Michigan State University</i>		RC104707-UTA		75,012	75,012
<i>Pass-Through from Msi Stem Research and Development Consortium</i>		W911SR14200010006		148,726	148,726
<i>Pass-Through from National Energetics</i>		12-63-PULSE-FP014		75,674	75,674
<i>Pass-Through from Northeastern University - Boston</i>		505131-78050		94,169	94,169
<i>Pass-Through from Pennsylvania State University</i>		5562-UTSA-DARPA- 0055		3,695	3,695
<i>Pass-Through from Purdue University</i>		FA8750-17-C-0069		5,472	5,472
<i>Pass-Through from Sri International</i>		FA8750-14-C-0005		210,619	210,619
<i>Pass-Through from Stanford University</i>		61345965-112762		205,412	205,412
<i>Pass-Through from University at Buffalo - Suny</i>		1128476/3/73066		18,892	18,892
<i>Pass-Through from University of Miami</i>		668013		45,311	45,311
<i>Pass-Through from University of Minnesota</i>		A003571419		126,914	126,914
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5055068		52,545	52,545
<i>Pass-Through from University of Virginia</i>		GG11972153060		87,749	87,749
<i>Pass-Through from Zyvex Corporation</i>		FA8650-15-C-7542		189,765	189,765
Total - CFDA 12.910			344,844	6,983,322	7,328,166
Total - U.S. Department of Defense			11,489,753	223,605,069	235,094,822
Central Intelligence Agency					
Central Intelligence Agency	13.XXX	464 391 00		27,719	27,719
Total - Central Intelligence Agency			0	27,719	27,719
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		167,581	167,581
General Research and Technology Activity	14.506			94,669	94,669
Healthy Homes Technical Studies Grants	14.906		8,282	40,871	49,153
Total - U.S. Department of Housing and Urban Development			8,282	303,121	311,403
U.S. Department of the Interior					
U.S. Department of the Interior	15.XXX	E16PC00001		163,433	163,433
		F13PC00013		42,895	42,895
		G16PX01289		17,650	17,650
		M10PC00091		12,019	12,019

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 the Interior (continued)					
		P11AC91270 2		659	659
		P14AC01788		22,798	22,798
		R7600120057/12AC1118		(352)	(352)
<i>Pass-Through from Lgl Ecological Research Associates, Inc.</i>		UTA16-000819		78,204	78,204
Total - CFDA 15.XXX			0	337,306	337,306
Cultural and Paleontological Resources Management	15.224			3,333	3,333
Recreation Resource Management	15.225			12,907	12,907
Fish, Wildlife and Plant Conservation Resource Management	15.231			61	61
<i>Pass-Through from University of Wyoming</i>		1002516B		239,015	239,015
Total - CFDA 15.231			0	239,076	239,076
Wildland Fire Research and Studies	15.232			58,630	58,630
<i>Pass-Through from National Wild Turkey Federation</i>		L13AC00117		43,492	43,492
Total - CFDA 15.232			0	102,122	102,122
Challenge Cost Share	15.238			30,068	30,068
Science and Technology Projects Related to Coal Mining and Reclamation	15.255			66,136	66,136
Alaska Coastal Marine Institute	15.421		1,593	100,240	101,833
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	15.423		427,866	386,444	814,310
Marine Minerals Activities	15.424			74,098	74,098
Coastal Impact Assistance Program (CIAP)	15.426				
<i>Pass-Through from Houston Advanced Research Center</i>		CITP07-TALR0212		(4)	(4)
Safety and Environmental Enforcement Research and Data Collection for Offshore Energy and Mineral Activities	15.441		106,208	1,605,855	1,712,063
Water Desalination Research and Development	15.506			161,763	161,763
<i>Pass-Through from Arizona State University</i>		17-074		8,716	8,716
Total - CFDA 15.506			0	170,479	170,479
Cultural Resources Management	15.511			4,351	4,351
Desert and Southern Rockies Landscape Conservation Cooperatives	15.557		10,115	958	11,073
SECURE Water Act - Research Agreements	15.560			348,686	348,686
Sport Fish Restoration	15.605			869,275	869,275
Fish and Wildlife Management Assistance	15.608			16,713	16,713
<i>Pass-Through from Gulf States Marine Fisheries Commission</i>		FWS-800-037-2016-SFASU		24,636	24,636
Total - CFDA 15.608			0	41,349	41,349
Wildlife Restoration and Basic Hunter Education	15.611		313,763	5,526,563	5,840,326
<i>Pass-Through from Alaska Department of Fish and Game</i>		CT160001994		56,228	56,228
Total - CFDA 15.611			313,763	5,582,791	5,896,554

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 the Interior (continued)					
Coastal Wetlands Planning, Protection and Restoration	15.614			6,967	6,967
Cooperative Endangered Species Conservation Fund	15.615		67,504	379,148	446,652
<i>Pass-Through from Bat Conservation International</i>		494464 MOA		14,826	14,826
<i>Pass-Through from State of Louisiana</i>		2000152122		6,569	6,569
Total - CFDA 15.615			67,504	400,543	468,047
Multistate Conservation Grant	15.628			24,062	24,062
Coastal	15.630			538	538
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1722		6,192	6,192
Total - CFDA 15.630			0	6,730	6,730
State Wildlife Grants	15.634		56,582	1,897,767	1,954,349
<i>Pass-Through from Humboldt State University Sponsored Programs Foundation</i>		F14AF00651		15,924	15,924
<i>Pass-Through from South Carolina Department of Natural Resources</i>		SCDNR-FY-2015-010		57,093	57,093
<i>Pass-Through from State of Louisiana</i>		2000173589		28,224	28,224
<i>Pass-Through from State of Louisiana</i>		CFMS 728593		1,805	1,805
Total - CFDA 15.634			56,582	2,000,813	2,057,395
Migratory Bird Joint Ventures	15.637			21,723	21,723
Research Grants (Generic)	15.650			22,101	22,101
<i>Pass-Through from Lynntech, Inc.</i>		SRS REF M1502371		45,895	45,895
Total - CFDA 15.650			0	67,996	67,996
Invasive Species	15.652			26,883	26,883
Migratory Bird Monitoring, Assessment and Conservation	15.655			32,276	32,276
Endangered Species Conservation - Recovery Implementation Funds	15.657		21,025	2,499	23,524
National Fish and Wildlife Foundation	15.663				
<i>Pass-Through from National Fish and Wildlife Foundation</i>		0104 13 040537		27,277	27,277
Coastal Impact Assistance	15.668			242,782	242,782
<i>Pass-Through from The Nature Conservancy</i>		TXFO042715-1		4,138	4,138
<i>Pass-Through from Umatq</i>		10-CIAP-025		(24,153)	(24,153)
Total - CFDA 15.668			0	222,767	222,767
Cooperative Landscape Conservation	15.669		48,734	81,421	130,155
<i>Pass-Through from The Curators of The University of Missouri</i>		F14AC00887		6,264	6,264
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		8000002809		27,418	27,418
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		F14AC00887	53,049	13,365	66,414
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		GCP LCC 2015-01		102,985	102,985
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		GCPLCC 2013-04		6,118	6,118
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		GCPLCC 2017-2		1,028	1,028
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		RTHWEST BOREAL LCC #2016-01		32,290	32,290
Total - CFDA 15.669			101,783	270,889	372,672
Adaptive Science	15.670			80,633	80,633

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 the Interior (continued)					
Cooperative Ecosystem Studies Units	15.678			52,959	52,959
Assistance to State Water Resources Research Institutes	15.805			221,820	221,820
Earthquake Hazards Program Assistance	15.807			130,002	130,002
U.S. Geological Survey Research and Data Collection	15.808			501,194	501,194
National Cooperative Geologic Mapping	15.810			151,049	151,049
Cooperative Research Units	15.812			217,588	217,588
National Geological and Geophysical Data Preservation	15.814			13,756	13,756
National Land Remote Sensing Education Outreach and Research	15.815			16,676	16,676
Energy Cooperatives to Support the National Energy Resources Data System	15.819			14,976	14,976
National Climate Change and Wildlife Science Center	15.820				
<i>Pass-Through from Oklahoma State University</i>		2-510780 TAMU		1,781	1,781
<i>Pass-Through from University of Oklahoma</i>		2014-16		111	111
<i>Pass-Through from University of Oklahoma</i>		2015-30		(5,163)	(5,163)
<i>Pass-Through from University of Oklahoma</i>		2015-31		2,306	2,306
<i>Pass-Through from University of Oklahoma</i>		2016-07 / G15AP00137		79,254	79,254
<i>Pass-Through from University of Oklahoma</i>		2016-40		4,060	4,060
<i>Pass-Through from University of Oklahoma</i>		2017-16		9,786	9,786
<i>Pass-Through from University of Oklahoma</i>		G12AC00002 2012-30		187,265	187,265
Total - CFDA 15.820			0	279,400	279,400
Outdoor Recreation Acquisition, Development and Planning	15.916			20,774	20,774
National Center for Preservation Technology and Training	15.923			7,068	7,068
<i>Pass-Through from Caddo Nation of Oklahoma</i>		P16AP00375		3,904	3,904
Total - CFDA 15.923			0	10,972	10,972
American Battlefield Protection	15.926			17,778	17,778
National Heritage Area Federal Financial Assistance	15.939				
<i>Pass-Through from Cane River National Heritage Area</i>		CA2012-04		3,105	3,105
Natural Resource Stewardship	15.944			(612)	(612)
Cooperative Research and Training Programs - Resources of the National Park System	15.945		2,219	740,403	742,622
Total - U.S. Department of the Interior			1,108,658	15,559,368	16,668,026
U.S. Department of Justice					
U.S. Department of Justice	16.XXX	CORNERSTONE ASST NET		3,802	3,802
		DJF-15-1200-P-0001932 CLIN 0001		1,897	1,897
		DJF-15-1200-P-0001932 CLIN 0002		2,250	2,250
		DJF-15-1200-P-0001932 CLIN 0004		18	18

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Justice (continued)					
		DJF-15-1200-P- 0001932 CLIN 0005		3,259	3,259
		DJF-15-1200-P- 0001932 CLIN 0007		256,787	256,787
		DJF-15-1200-P- 0001932 CLIN 0008		525,646	525,646
		DJF-15-1200-P- 0001932 CLIN 0009		2,483,114	2,483,114
		DJF-15-1200-P- 0001932 CLIN 0010		8,777	8,777
		DJF-15-1200-P- 0001932 CLIN 0011		111,755	111,755
		DJF-15-1200-V -00097		9,208	9,208
		DJF-15-1200-V- 0010476	23,422	20,040	43,462
<i>Pass-Through from Concurrent Technologies</i>		LETTER #151000168 SLIN 001		861,134	861,134
<i>Pass-Through from Concurrent Technologies</i>		LETTER #151000168 SLIN 002		32,111	32,111
<i>Pass-Through from Roger Williams University</i>		2015063466		14,547	14,547
Total - CFDA 16.XXX			23,422	4,334,345	4,357,767
Community Relations Service	16.200				
<i>Pass-Through from University of Nebraska at Omaha</i>		8000002655		2,362	2,362
Juvenile Justice and Delinquency Prevention	16.540			940	940
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541			49,892	49,892
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		108,859	5,909,038	6,017,897
<i>Pass-Through from Arizona State University</i>		270490	143,516	72,163	215,679
<i>Pass-Through from Arizona State University</i>		270680		35,483	35,483
<i>Pass-Through from Florida State University</i>		270620		38,100	38,100
<i>Pass-Through from George Mason University</i>		2016-DN-BX-0147		20,007	20,007
<i>Pass-Through from Mccrone Research Institute, Inc.</i>		280730		15,250	15,250
<i>Pass-Through from Missouri State University</i>		15203-001		39,968	39,968
<i>Pass-Through from Rutgers University</i>		0063PO#507277		26,931	26,931
<i>Pass-Through from University of Colorado</i>		270540		3,503	3,503
<i>Pass-Through from University of South Carolina</i>		17- 3299PO#2000031494		5,991	5,991
Total - CFDA 16.560			252,375	6,166,434	6,418,809
Criminal Justice Research and Development Graduate Research Fellowships	16.562			165,647	165,647
Crime Victim Assistance/Discretionary Grants	16.582				
<i>Pass-Through from Lone Star Legal Aid</i>		7484-1 2012-VF-GX- K019		21,242	21,242
Project Safe Neighborhoods	16.609				
<i>Pass-Through from University of Nebraska</i>		8000002820		6,601	6,601
Juvenile Mentoring Program	16.726			34,799	34,799

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Justice (continued)					
Edward Byrne Memorial Justice Assistance Grant Program <i>Pass-Through from Institute for Intergovernmental Research</i>	16.738	8000002073		1,379,876 <u>7,373</u>	1,379,876 <u>7,373</u>
Total - CFDA 16.738			0	1,387,249	1,387,249
DNA Backlog Reduction Program	16.741			804,145	804,145
Edward Byrne Memorial Competitive Grant Program <i>Pass-Through from Institute for Intergovernmental Research</i>	16.751	8000002167		5,397,843	5,397,843
Byrne Criminal Justice Innovation Program	16.817		7,456	178,269	185,725
Smart Prosecution Initiative <i>Pass-Through from Harris County - Texas</i>	16.825	270460		20,559	20,559
Girls in the Juvenile Justice System	16.830			9,824	9,824
Total - U.S. Department of Justice			283,253	18,580,151	18,863,404
U.S. Department of Labor					
U.S. Department of Labor <i>Pass-Through from Aspen Institute</i>	17.XXX	L-OPS-15-P-00239 UTA13-000870		31,834 <u>47,021</u>	31,834 <u>47,021</u>
Total - CFDA 17.XXX			0	78,855	78,855
Employment Service/Wagner-Peyser Funded Activities <i>Pass-Through from Arlington Chamber of Commerce Foundation, Inc.</i>	17.207	0516WPB000		330,796 <u>4,332</u>	330,796 <u>4,332</u>
Total - CFDA 17.207			0	335,128	335,128
WIOA Dislocated Worker Formula Grants	17.278			54,614	54,614
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants <i>Pass-Through from Austin Community College</i>	17.282	2014-2015 UTA14- 000282 31-1-93196		47,440	47,440
<i>Pass-Through from Corporation for A Skilled Workforce</i>		2013-02		107,840	107,840
<i>Pass-Through from Corporation for A Skilled Workforce</i>		2013-15 UTA13- 000825		3,315	3,315
Total - CFDA 17.282			0	158,595	158,595
Workforce Innovation Fund <i>Pass-Through from Jobs for the Future</i>	17.283	UTA12-001153		54,781	54,781
International Labor Programs	17.401			59,784	59,784
Occupational Safety and Health Susan Harwood Training Grants	17.502			140,949	140,949
Total - U.S. Department of Labor			0	882,706	882,706
U.S. Department of State					
U.S. Department of State	19.XXX	SAQMMA16C0331		10,786	10,786
International Programs to Combat Human Trafficking	19.019			12,237	12,237

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 State (continued)					
Investing in People in The Middle East and North Africa	19.021			161,171	161,171
Energy Governance and Reform Programs	19.027		27,500	178,227	205,727
Global Threat Reduction	19.033			532,264	532,264
<i>Pass-Through from Crdf Global</i>		GTR3-15-61257-1		52,535	52,535
Total - CFDA 19.033			0	584,799	584,799
Academic Exchange Programs - Scholars	19.401				
<i>Pass-Through from Institute of International Education</i>		3069-TAMU-4-1-16		62,521	62,521
<i>Pass-Through from Institute of International Education</i>		3069-UT-4-1-16		33,736	33,736
<i>Pass-Through from Institute of International Education</i>		M1701984		10,206	10,206
<i>Pass-Through from Institute of International Education</i>		S-ECAGD-13-CA-149		65,816	65,816
Total - CFDA 19.401			0	172,279	172,279
General Department of State Assistance	19.700				
<i>Pass-Through from Crdf Global</i>		GTR2-15-61297-1		13,252	13,252
Total - U.S. Department of State			27,500	1,132,751	1,160,251
U.S. Department of Transportation					
U.S. Department of Transportation	20.XXX	PO DTFACT-16-P-00163		53,939	53,939
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA12-000814 07		25,367	25,367
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA15-001294		419,173	419,173
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA17-000717		20,739	20,739
<i>Pass-Through from R.d. Mingo and Associates</i>		DTFH61-13-D-0021-T5008		5,011	5,011
<i>Pass-Through from Transportation Research Board</i>		HR 24-41	16,839	57,594	74,433
<i>Pass-Through from University of Alabama</i>		UA16-008		91,313	91,313
<i>Pass-Through from University of Kansas Center for Research, Inc.</i>		FY2017-056		23,690	23,690
Total - CFDA 20.XXX			16,839	696,826	713,665
Airport Improvement Program	20.106				
<i>Pass-Through from Nas - Acrp - Airport Cooperative Research</i>		NAS 150 13 - ACRP A09-11		19,545	19,545
Aviation Research Grants	20.108		244,096	469,671	713,767
<i>Pass-Through from Nas - Acrp - Airport Cooperative Research</i>		ACRP A01-33 0000840 - NAS150 TO 29	29,218	243,102	272,320
Total - CFDA 20.108			273,314	712,773	986,087
Air Transportation Centers of Excellence	20.109		12,230	299,106	311,336
Highway Research and Development Program	20.200			439,147	439,147
<i>Pass-Through from American Road and Transportation Builders Association</i>		693JJ31750009-1		47,535	47,535
<i>Pass-Through from American Road and Transportation Builders Association</i>		DTFH61-13-H-00022-A		49,981	49,981

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from American Road and Transportation Builders Association</i>		DTFH61-13-H-0025-A		73,622	73,622
<i>Pass-Through from Applied Pavement Technology, Inc.</i>		WORK AUTHORIZATION 5; 2012-120-RR01		309	309
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601206-1		85,228	85,228
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-18		34,696	34,696
<i>Pass-Through from California Department of Transportation</i>		65A0526		3,534	3,534
<i>Pass-Through from California State University - Long Beach</i>		SG175414100-A		42,898	42,898
<i>Pass-Through from Cambridge Systematics</i>		NCHRP 8-36C - 008551 131		2,434	2,434
<i>Pass-Through from City College of New York</i>		49204-J		9,056	9,056
<i>Pass-Through from Economic Development Research Group, Inc.</i>		NCHRP 19-14		8,518	8,518
<i>Pass-Through from Houston - Galveston Area Council</i>		T T 17 0420-01		10,174	10,174
<i>Pass-Through from Knowledge Based Systems, Inc.</i>		M1601921		8,923	8,923
<i>Pass-Through from Knowledge Based Systems, Inc.</i>		SRS REF M1501577		1,602	1,602
<i>Pass-Through from Nas - Acrp - Airport Cooperative Research</i>		ACRP ALL-03(S01- 17)0001038		6,218	6,218
<i>Pass-Through from National Academy of Sciences</i>		2000007239		22,875	22,875
<i>Pass-Through from National Academy of Sciences</i>		2000007414		7,186	7,186
<i>Pass-Through from National Academy of Sciences</i>		2000008136		8,894	8,894
<i>Pass-Through from National Academy of Sciences</i>		HR 01-52- 0000237		153,918	153,918
<i>Pass-Through from National Academy of Sciences</i>		HR 12-113 PO 1111030		11,198	11,198
<i>Pass-Through from National Academy of Sciences</i>		HR 14-20A / 00004	39,991	60,100	100,091
<i>Pass-Through from National Academy of Sciences</i>		HR 14-28 163511-1102		8,727	8,727
<i>Pass-Through from National Academy of Sciences</i>		HR 19-13 - NAS150 TO 27	75,000	230,643	305,643
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 15 - HR 09- 57		15,034	15,034
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 36 -HR 09- 52A- 0000927		51,926	51,926
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 37 HR 20-114 000		21,008	21,008
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 T O #14 HR 17-66		63,595	63,595
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO# 02 HR 07/23 0000273		14,605	14,605
<i>Pass-Through from National Academy of Sciences</i>		NCHRP195/ 163516- 0399/ 0000946		4,051	4,051
<i>Pass-Through from National Cooperative Highway Research Program</i>		HR 24-45		153,978	153,978
<i>Pass-Through from New Mexico Department of Transportation</i>		IG0007 8005- 0000260266		60,143	60,143
<i>Pass-Through from North Central Texas Council of Government</i>		TRN3560		58,618	58,618
<i>Pass-Through from Oklahoma Department of Transportation</i>		SP&R 2300(17-02) CONT#3459052600/JO B 019		61,105	61,105
<i>Pass-Through from Oklahoma Department of Transportation</i>		SP&R ITEM 2265/CTR#3459048321 /JP#01946(6	12,400	26,484	38,884
<i>Pass-Through from Oklahoma Department of Transportation</i>		SP&R ITEM 2277 / SPRY-0010(66)RS / JOB P		78,538	78,538
<i>Pass-Through from Oklahoma Department of Transportation</i>		SPR ITEM 2278/CTR #3459052601/JP#01946 (6		91,157	91,157

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from Parsons Brinckerhoff, Inc.</i>		182427CC		5,423	5,423
<i>Pass-Through from Sgt, Inc.</i>		SC16-000XX		40,887	40,887
<i>Pass-Through from State of Alaska, Department of Transportation and Public Facilities</i>		MOA 2517H026		8,918	8,918
<i>Pass-Through from Transportation Research Board of the National Academies</i>		HR 12-97		61,828	61,828
<i>Pass-Through from University of California - Los Angeles</i>		0159 G RA063 2		4,210	4,210
<i>Pass-Through from University of Maryland</i>		Q0326103		2,533	2,533
<i>Pass-Through from University of Maryland - College Park</i>		Z9000203		93,423	93,423
<i>Pass-Through from University of Michigan</i>		3003298881		19,489	19,489
Total - CFDA 20.200			127,391	2,264,369	2,391,760
Highway Planning and Construction	20.205		267,804	1,045,710	1,313,514
<i>Pass-Through from Arizona Department of Transportation</i>		A T16- 147813/MPD0019-17	49,303	134,535	183,838
<i>Pass-Through from Battelle Memorial Institute</i>		601304-10		66,914	66,914
<i>Pass-Through from Battelle Memorial Institute</i>		601304-16		28,151	28,151
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-12		4,310	4,310
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-13		22,258	22,258
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-17		29,465	29,465
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-19		22,639	22,639
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-20		53,136	53,136
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-21		17,894	17,894
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-22		50,867	50,867
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-23		1,469	1,469
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-24		5,800	5,800
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-4		118	118
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601305-3		(2,473)	(2,473)
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601305-5		196,498	196,498
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601305-7		44,979	44,979
<i>Pass-Through from Battelle Memorial Institute</i>		US001-6013505-8		357	357
<i>Pass-Through from Cambridge Systematics</i>		8780 008		14,842	14,842
<i>Pass-Through from Cambridge Systematics</i>		8780 009		2,603	2,603
<i>Pass-Through from Ch2m Hill, Inc.</i>		: 10006-7-101058		3,440	3,440
<i>Pass-Through from Ch2m Hill, Inc.</i>		10006-7-104029		98,080	98,080
<i>Pass-Through from Colorado Department of Transportation</i>		411002554		8,694	8,694
<i>Pass-Through from Crash Avoidance Metrics Partnership</i>		CAMP0000167		95,631	95,631
<i>Pass-Through from Crash Avoidance Metrics Partnership</i>		CAMP0000172		80,831	80,831
<i>Pass-Through from Houston - Galveston Area Council</i>		#T T 14 0220-02		(59)	(59)
<i>Pass-Through from Houston - Galveston Area Council</i>		M1602268		102,797	102,797
<i>Pass-Through from Houston - Galveston Area Council</i>		T T 17 0610-01		39,877	39,877
<i>Pass-Through from Iteris, Inc.</i>		CSJ:0912-00-545			
<i>Pass-Through from Kittelson and Associates, Inc.</i>		D00002-TEX		6,421	6,421
<i>Pass-Through from Kittelson and Associates, Inc.</i>		0210-01		5,083	5,083
<i>Pass-Through from Kittelson and Associates, Inc.</i>		17763		50,952	50,952
<i>Pass-Through from Leetron Vision</i>		P2012352 SRS#1214356		6,725	6,725
<i>Pass-Through from Leidos, Inc.</i>		10177856		139,810	139,810
<i>Pass-Through from Leidos, Inc.</i>		DTFH61-12-D-00020 / TOPR 6 / BA		(12)	(12)
<i>Pass-Through from Macrosys, LLC</i>		SRS REF M1501759		2,054	2,054
<i>Pass-Through from Mri Global (midwest Research Institute)</i>		681-110950-1		94,343	94,343
<i>Pass-Through from Nas - Transportation Research Board</i>		NAS 150 TO7 NCFRP- 46 00000398		2,714	2,714
<i>Pass-Through from National Academy of Sciences</i>		0000444 / NAS 150 9		27,379	27,379
<i>Pass-Through from National Academy of Sciences</i>		HR 03-123 - 0000833 - NAS 150 TO 25	3,800	123,796	127,596

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from National Academy of Sciences</i>		HR 20-05(47-05) 0000789		23,990	23,990
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 #20 HR 03- 11700005		62,902	62,902
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 21; HR 05-21 0000708	30,417	204,016	234,433
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 24 - HR 20- 07(370)		54,782	54,782
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 26 - HR 08- 106 000083	84,640	142,721	227,361
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO #12 HR 09-58		398,194	398,194
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO #16 HR01-53 0000582		64,456	64,456
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO #17; HR 20-05(46-16)		1,150	1,150
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO 10 HR 03-114	122,967	99,634	222,601
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO 31 HR 20-07(395) 000089		98,219	98,219
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO 32; HR 15-64 0000917	260	61,103	61,363
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO 34 HR 17-79 0000920	2,882	41,915	44,797
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO 35 HR 17-76/0000921		81,119	81,119
<i>Pass-Through from National Academy of Sciences</i>		NAS 22; HR 24-43 0000711		49,745	49,745
<i>Pass-Through from National Academy of Sciences</i>		NCHRP 20-102(1)	673	90,642	91,315
<i>Pass-Through from National Academy of Sciences</i>		NCHRP 20-102(6)	18,509	152,534	171,043
<i>Pass-Through from North Central Texas Council of Government</i>		TRN2215		(6,509)	(6,509)
<i>Pass-Through from Ohio Department of Transportation</i>		#26923/JOB #135097	15,865	127,334	143,199
<i>Pass-Through from Ohio Department of Transportation</i>		27125	40,759	196,110	236,869
<i>Pass-Through from Oregon Department of Transportation</i>		30240		25,125	25,125
<i>Pass-Through from University of Nevada - Reno</i>		UNR-17-05		1,730	1,730
<i>Pass-Through from University of South Carolina</i>		17-3191PO 000029364		37,790	37,790
<i>Pass-Through from Virginia Tech University</i>		417943-19C36		1,544	1,544
Total - CFDA 20.205			637,879	4,638,874	5,276,753
Highway Training and Education	20.215			343,969	343,969
<i>Pass-Through from Cambridge Systematics</i>		150040; NAS 143		(31)	(31)
<i>Pass-Through from Nas - Transportation Research Board</i>		NAS 150 03	168	21,298	21,466
<i>Pass-Through from National Academy of Sciences</i>		0000342; HR 15-49		1,385	1,385
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 TO 33 HR 20-102(009) 0000923	73,401	133,333	206,734
Total - CFDA 20.215			73,569	499,954	573,523
Motor Carrier Safety Assistance	20.218			184,078	184,078
<i>Pass-Through from University of Michigan</i>		3003519732		90,784	90,784
Total - CFDA 20.218			0	274,862	274,862
Railroad Safety	20.301			79,355	79,355
Railroad Research and Development	20.313				
<i>Pass-Through from Cpcs Transcom</i>		15648		93,409	93,409

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
Federal Transit Formula Grants	20.507				
<i>Pass-Through from Fort Bend County</i>		WORK 2		28,579	28,579
<i>Pass-Through from Fort Bend County</i>		WORK 3		65,170	65,170
<i>Pass-Through from Harris County - Texas</i>		ONE		12,134	12,134
Total - CFDA 20.507			0	105,883	105,883
Public Transportation Research, Technical Assistance, and Training	20.514				
<i>Pass-Through from Fort Bend County</i>		SRS REF M1500072		1,035	1,035
<i>Pass-Through from National Academy of Sciences</i>		J-07(SB-29)/ 0000975		39,177	39,177
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 18 G-14 - 0000621	3,019	10,183	13,202
<i>Pass-Through from National Academy of Sciences</i>		NAS 150 9 TCRP H-52; 00		31,620	31,620
Total - CFDA 20.514			3,019	82,015	85,034
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		1,770	1,770
State and Community Highway Safety	20.600			2,069,357	2,069,357
<i>Pass-Through from Georgia Department of Transportation</i>		CSSFT000900150 P I 0005819	25,168	195,446	220,614
Total - CFDA 20.600			25,168	2,264,803	2,289,971
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	20.614				
<i>Pass-Through from Colorado Department of Transportation</i>		SRS# 1601237		4,077	4,077
<i>Pass-Through from Nebraska Department of Health and Human Services</i>		M1600105		10,817	10,817
Total - CFDA 20.614			0	14,894	14,894
National Priority Safety Programs	20.616			1,478,985	1,478,985
University Transportation Centers Program	20.701		252,543	1,117,687	1,370,230
<i>Pass-Through from Board of Supervisors of Louisiana State University and A&M College</i>		PO-0000029217		59,475	59,475
<i>Pass-Through from Cornell University</i>		79841-10831		36,231	36,231
<i>Pass-Through from Florida Atlantic University</i>		TR-K62		127	127
<i>Pass-Through from Louisiana State University</i>		M102455		61,773	61,773
<i>Pass-Through from Louisiana State University</i>		PO-0000030637		350	350
<i>Pass-Through from Louisiana State University</i>		PO-0000032407		59,908	59,908
<i>Pass-Through from Michigan State University</i>		RC103194UTA		272,682	272,682
<i>Pass-Through from New York University</i>		F8741-02		70,538	70,538
<i>Pass-Through from Numerical Technology Company, LLC</i>		NTC2016-0704		45,672	45,672
<i>Pass-Through from Rutgers University</i>		5235/4-36362/10223		156,757	156,757
<i>Pass-Through from University of Michigan</i>		3002833944		349,586	349,586
<i>Pass-Through from University of North Carolina</i>		69A355174133		20,420	20,420
<i>Pass-Through from University of North Carolina</i>		69A3551747133		10,350	10,350
<i>Pass-Through from University of North Carolina</i>		69A35517471333		21,368	21,368
<i>Pass-Through from University of North Carolina</i>		69A3551747135		113,568	113,568
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		20160688-02-UTX		97,400	97,400
<i>Pass-Through from University of Oklahoma</i>		2014-25 (:DTRT13-G-UTC36)		180,275	180,275

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Aeronautics and Space Administration (continued)					
		466581		10,000	10,000
		NASA-28G		51,946	51,946
		NNX15AE28G			
		NCC95849/CA02701		(2,988)	(2,988)
		NNC17CA02C		132,076	132,076
		NND15SA85B	149,145	262,632	411,777
		NNG12VI01C		298,832	298,832
		NNG17VI05C		341,312	341,312
		NNJ13ZA04P		(18)	(18)
		NNL14AA00C		2,543,907	2,543,907
		NNL15AB97T			
		NNL15AA08C		10	10
		NNM16AA26C	98,277	412,900	511,177
		NNX14AC76G		359,172	359,172
		NNX15AP25G	13,127	8,578	21,705
		NNX17LD48P		5,763	5,763
		M1602581 02-448861		4,735	4,735
		C1292001P0319		35,525	35,525
		UT-001-2017		80,954	80,954
		15-705		14,670	14,670
		16-977		2,711	2,711
		16-978		7,034	7,034
		P2026-001		62,210	62,210
		UTA13-000810		(15,125)	(15,125)
		UTA16-000717		53,487	53,487
		1360670		15,967	15,967
		1405316 1		84,988	84,988
		1450036		26,922	26,922
		1478584 02		2,208,766	2,208,766
		1479726		86,863	86,863
		1491844		5,932	5,932
		1500179		101,972	101,972
		1514074		10,340	10,340
		1514075		217	217
		1518949		8,458	8,458
		1521160		107	107
		1521161		6,452	6,452
		1521162		9,467	9,467
		1522906		556	556
		1525948		3,229	3,229

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1531262 SWA	104,844	64,600	169,444
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1535904		13,000	13,000
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1537314		17,129	17,129
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1538288		5,259	5,259
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1538825		4,074	4,074
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1542005		4,074	4,074
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1542006		20,992	20,992
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1542412		7,458	7,458
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1543389		15,147	15,147
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1544186		7,482	7,482
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1544189		20,301	20,301
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1544413		834	834
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1546195		6,646	6,646
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1551021		3,284	3,284
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1554237		4,289	4,289
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1554240		5,137	5,137
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1554583		107,711	107,711
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1556838		59,958	59,958
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1560189		11,498	11,498
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1561873		46,471	46,471
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1565121		28,925	28,925
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1565239		5,081	5,081
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1565241		2,005	2,005
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1565242		5,201	5,201
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1569380		45,923	45,923
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1569963		17,637	17,637
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		RSA 1552339		10,838	10,838
<i>Pass-Through from Colorado State University</i>		SA-15-093		187,143	187,143

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Geoptics, Inc.</i>		UTA16-001038EGO- XO-02		65,372	65,372
<i>Pass-Through from Harris Corporation</i>		2712-15-87		21,706	21,706
<i>Pass-Through from Intelligent Optical Systems, Inc.</i>		16-0561		155,177	155,177
<i>Pass-Through from Jacobs Technology, Inc.</i>		EN41520TMS		1,165,653	1,165,653
<i>Pass-Through from Johns Hopkins University Applied Physics Laboratory</i>		122578		60,849	60,849
<i>Pass-Through from Kaneka Aerospace, LLC</i>		M1701921		37,402	37,402
<i>Pass-Through from Kestrel Technology, LLC</i>		KT-AA07C-TTU		(1,862)	(1,862)
<i>Pass-Through from Leidos, Inc.</i>		LIN0919033	373,084		373,084
<i>Pass-Through from Lockheed Martin Corporation</i>		7200004829	72,390		72,390
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710004160		54,816	54,816
<i>Pass-Through from Nasa - Jet Propulsion Lab - Pasadena, CA</i>		1515315		10,051	10,051
<i>Pass-Through from Nasa - Jet Propulsion Lab - Pasadena, CA</i>		1521569		15,802	15,802
<i>Pass-Through from Nasa - Jet Propulsion Lab - Pasadena, CA</i>		1536793		5,749	5,749
<i>Pass-Through from Nasa - Jet Propulsion Lab - Pasadena, CA</i>		1542413		12,701	12,701
<i>Pass-Through from Nasa - Jet Propulsion Lab - Pasadena, CA</i>		1562034		29,173	29,173
<i>Pass-Through from Nasa - Jet Propulsion Lab - Pasadena, CA</i>		1566409		9,076	9,076
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC95849/CA02701	26,145	21,435	47,580
<i>Pass-Through from Omega Optics, Inc.</i>		UTA15-000617		34,341	34,341
<i>Pass-Through from Omega Optics, Inc.</i>		UTA17-000880		8,404	8,404
<i>Pass-Through from Real - Time Analyzers, Inc.</i>		588007SC01		70,001	70,001
<i>Pass-Through from Southwest Research Institute</i>		J99060MEC		26,606	26,606
<i>Pass-Through from Southwest Research Institute</i>		J99062MEC		34,477	34,477
<i>Pass-Through from Southwest Research Institute</i>		J99063MEC		34,477	34,477
<i>Pass-Through from Southwest Research Institute</i>		J99065MEC		25,307	25,307
<i>Pass-Through from Southwest Research Institute</i>		J99066MEC		34,575	34,575
<i>Pass-Through from Southwest Research Institute</i>		K99042MEC		4,218	4,218
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-12836004-A		4,615	4,615
<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		10,494	10,494
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-13888006-A		14,471	14,471
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-13896009-A		6,757	6,757
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14676 001-A		24,838	24,838
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-12880 006-A		20,715	20,715
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13334 004-A		2	2
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13334003-A		15	15
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13335 005-A		3	3
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13376012-A		907	907
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13647 005-A		638	638
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13650-009-A		25,379	25,379
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13678 007-A		2	2
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13678002-A		255	255
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13717 001-A		24,073	24,073
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13720 003-A		4,623	4,623
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13735 001-A		3,613	3,613
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13736003-A		6,706	6,706
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13750012-A		28,556	28,556
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13779022-A		57,969	57,969
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13804006-A		21,839	21,839
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13819001-A		22,103	22,103
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13819001-A 1		25,026	25,026
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13819001-A 2		7,987	7,987
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14139 001-A		24,034	24,034
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14144 001-A		6,866	6,866
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14220001-A		47,086	47,086
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14220001-A 1		2,951	2,951

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14227 001-A		94,239	94,239
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14259 01-A		15,549	15,549
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14450 001-A		1,618	1,618
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO14639 001-A		19,730	19,730
<i>Pass-Through from Space Telescope Science Institute</i>		HST-HF2-51369001-A		86,540	86,540
<i>Pass-Through from The Aerospace Corporation</i>		NNX16AH46G		56,876	56,876
<i>Pass-Through from United Negro College Fund</i>		NNX09AV017A-PV		19,610	19,610
<i>Pass-Through from Universities Space Research Association</i>		NAS2-97001SOF 0048		4,439	4,439
<i>Pass-Through from Universities Space Research Association</i>		SOF 04- 0073GREENNAS2- 97001		50,596	50,596
<i>Pass-Through from Universities Space Research Association</i>		SOF 04- 0146GREENNAS2- 97001		9,776	9,776
<i>Pass-Through from Universities Space Research Association</i>		SOF 05-0121 DINERSTEINNAS2- 97001		4,263	4,263
<i>Pass-Through from Universities Space Research Association</i>		SOF05- 0121DINERSTEINNAS		5,446	5,446
<i>Pass-Through from University of Washington</i>		UWSC9842		3,795	3,795
<i>Pass-Through from Wyle Laboratories</i>		NAS902078		89	89
<i>Pass-Through from Wyle Laboratories</i>		NNJ15HK11B		64,189	64,189
<i>Pass-Through from Wyle Laboratories</i>		T73053		9,997	9,997
<i>Pass-Through from Wyle Laboratories</i>		T802294		2,000	2,000
Total - CFDA 43.XXX			837,012	10,787,047	11,624,059
Science	43.001		993,058	8,006,892	8,999,950
<i>Pass-Through from Association of Universities for Research in Astronomy</i>		STSCI-510384 2		13,481	13,481
<i>Pass-Through from Astronomical Society of the Pacific</i>		N/A		3,756	3,756
<i>Pass-Through from Auburn University</i>		15-PHY-209376-UNT		57,849	57,849
<i>Pass-Through from Baylor College of Medicine</i>		NCC9-58		4,713	4,713
<i>Pass-Through from Boise State University</i>		6445-B		17,807	17,807
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1565726		29,999	29,999
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1567018		111,057	111,057
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1579246		3,129	3,129
<i>Pass-Through from Center for the Advancement of Science in Space</i>		C5700		(6,138)	(6,138)
<i>Pass-Through from Center for the Advancement of Science in Space</i>		GA-2015-211		25,027	25,027
<i>Pass-Through from George Mason University</i>		E2038231		46,227	46,227
<i>Pass-Through from Georgia Institute of Technology</i>		RE407-G3		8,894	8,894
<i>Pass-Through from Georgia Tech Research Corporation</i>		RG016-G1		33,238	33,238
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002248		87,657	87,657
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002284		183,866	183,866
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002286		183,579	183,579
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002680		1,405	1,405
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002681		7,625	7,625
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002686		97,919	97,919
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002800		8,384	8,384
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002802		7,647	7,647
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002808		8,748	8,748
<i>Pass-Through from Johns Hopkins University</i>		128769		7,599	7,599
<i>Pass-Through from Johns Hopkins University Applied Physics Laboratory</i>		129217		34,010	34,010

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Lynntech, Inc.</i>		M1603375		26,111	26,111
<i>Pass-Through from Lynntech, Inc.</i>		NNX15CS05C		113,166	113,166
<i>Pass-Through from National Space Biomedical Research Institute</i>		CA03801	26,673	243,218	269,891
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC958203		72,810	72,810
<i>Pass-Through from Nuvue Therapeutics</i>		09660-12-A-2 / NNJ11HE31A		2,669	2,669
<i>Pass-Through from Nuvue Therapeutics</i>		NN11HE31A		2,767	2,767
<i>Pass-Through from Nuvue Therapeutics</i>		NNJ11HE31A		534	534
<i>Pass-Through from Nuvue Therapeutics</i>		NNJ16GU04A		177,234	177,234
<i>Pass-Through from Nuvue Therapeutics</i>		NVMR-2 05202017		32,531	32,531
<i>Pass-Through from Ohio State University</i>		60039639		13,243	13,243
<i>Pass-Through from Oregon State University</i>		NS270A-A		93,718	93,718
<i>Pass-Through from Pennsylvania State University</i>		5080-TAMU-NASA- M37G		54,381	54,381
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8043-S1		9,137	9,137
<i>Pass-Through from Planetary Science Institute</i>		1350		31,440	31,440
<i>Pass-Through from Planetary Science Institute</i>		1488		11,649	11,649
<i>Pass-Through from Planetary Science Institute</i>		1515		10,524	10,524
<i>Pass-Through from Seti Institute</i>		SC3163		13,486	13,486
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		8000002735		28,684	28,684
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		G04-15034X		4,778	4,778
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		G04-15089B		803	803
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		GO5-16079X		26	26
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		GO6-17060X		42,499	42,499
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		GO7-18040X		3,427	3,427
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		GO7-18081B		34,359	34,359
<i>Pass-Through from Southwest Research Institute</i>		#1415GC0091		20,055	20,055
<i>Pass-Through from Southwest Research Institute</i>		1 #1415FC0087		35,910	35,910
<i>Pass-Through from Southwest Research Institute</i>		1 #1415FC0089		29,275	29,275
<i>Pass-Through from Southwest Research Institute</i>		1 #1415GC0080		(6,427)	(6,427)
<i>Pass-Through from Southwest Research Institute</i>		1 1415FC0084		12,345	12,345
<i>Pass-Through from Southwest Research Institute</i>		1415FC0086 - 1		3,086	3,086
<i>Pass-Through from Southwest Research Institute</i>		-1415FC0094		34,597	34,597
<i>Pass-Through from Southwest Research Institute</i>		1415NC0095		2,353	2,353
<i>Pass-Through from Southwest Research Institute</i>		CNTRCT 1415GC0079		34,164	34,164
<i>Pass-Through from Southwest Research Institute</i>		H99073MEC-JENNA ZINK		34,477	34,477
<i>Pass-Through from Southwest Research Institute</i>		J99061MEC 3		18,002	18,002
<i>Pass-Through from Southwest Research Institute</i>		J99072MEC		19,165	19,165
<i>Pass-Through from Southwest Research Institute</i>		J99075MEC		11,759	11,759
<i>Pass-Through from Southwest Research Institute</i>		J99076MEC		12,007	12,007
<i>Pass-Through from Southwest Research Institute</i>		K99007MEC		18,289	18,289
<i>Pass-Through from Southwest Research Institute</i>		K99012MEC		10,691	10,691
<i>Pass-Through from Southwest Research Institute</i>		K99013MEC		10,571	10,571
<i>Pass-Through from Southwest Research Institute</i>		K99018MEC		10,696	10,696
<i>Pass-Through from Southwest Research Institute</i>		K99019MEC		10,696	10,696
<i>Pass-Through from Southwest Research Institute</i>		K99031MEC		8,880	8,880
<i>Pass-Through from Southwest Research Institute</i>		K99036MEC		14,542	14,542
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-14300001-A		88,399	88,399
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-14561002-A		15,935	15,935
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13739020-A		49,654	49,654
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14073008-A		959	959
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14227010-A (INCREMENT)		14,651	14,651
<i>Pass-Through from Stanford University</i>		61373208-124103		52,570	52,570

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Stanford University</i>		61373208-124103 1 (WEXT)		1,860	1,860
<i>Pass-Through from Tao of Systems Integration, Inc.</i>		M1502845		69,925	69,925
<i>Pass-Through from Tietronix Software, Inc.</i>		NNX17CJ34P		15,537	15,537
<i>Pass-Through from Universities Space Research Association</i>		02235-06		13,061	13,061
<i>Pass-Through from Universities Space Research Association</i>		NNX15AW48G		(2,171)	(2,171)
<i>Pass-Through from Universities Space Research Association</i>		SOF 03-0033 GREEN		1	1
<i>Pass-Through from University of Alaska</i>		UAF 16-0083 PO # P0503052		89,346	89,346
<i>Pass-Through from University of California - Berkeley</i>		NNG12FA45C		384,242	384,242
<i>Pass-Through from University of California - Los Angeles</i>		0965 G UA415		52,853	52,853
<i>Pass-Through from University of Colorado</i>		1551917 PO 1000400866		24,590	24,590
<i>Pass-Through from University of Colorado</i>		155339		56,938	56,938
<i>Pass-Through from University of Colorado - Boulder</i>		NNX16AB83G		11,782	11,782
<i>Pass-Through from University of Illinois - Champaign</i>		2012-04308-03		140,303	140,303
<i>Pass-Through from University of Kansas Center for Research, Inc.</i>		FY2014-068		40,232	40,232
<i>Pass-Through from University of Maryland</i>		Z6125001		4,577	4,577
<i>Pass-Through from University of Maryland - Baltimore County</i>		000018497		26,619	26,619
<i>Pass-Through from University of Maryland - College Park</i>		Z7680601		75	75
<i>Pass-Through from University of Pittsburgh</i>		0043941 (411158-1)		44,015	44,015
<i>Pass-Through from University of South Florida</i>		2500-1616-00-E (NNX14AP62A)		34,849	34,849
<i>Pass-Through from University of South Florida</i>		2500-1662-00-A		62,260	62,260
<i>Pass-Through from University of Wisconsin</i>		584K732		53,731	53,731
<i>Pass-Through from University of Wisconsin</i>		629K996		16,675	16,675
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T72314		(35)	(35)
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T73005		857,481	857,481
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T803493		20,643	20,643
<i>Pass-Through from Wyle Laboratories</i>		NNZ10AM34G		858	858
<i>Pass-Through from Wyle Laboratories</i>		PO T800293		8,227	8,227
<i>Pass-Through from Wyle Laboratories</i>		T72314		268	268
<i>Pass-Through from Wyle Laboratories</i>		T73031		86,086	86,086
<i>Pass-Through from Yale University</i>		C15N12088 (N00218)		62,243	62,243
Total - CFDA 43.001			1,019,731	12,751,936	13,771,667
Aeronautics	43.002		4,980	658,078	663,058
<i>Pass-Through from Baylor College of Medicine</i>		CA00005-01	107,028	136,609	243,637
<i>Pass-Through from Baylor College of Medicine</i>		COOP AGMT #NCC 9-58-587; NSBRI #EO02001		172,391	172,391
<i>Pass-Through from Baylor College of Medicine</i>		NCC 9-58-601 AO00017-5600965730		83,295	83,295
<i>Pass-Through from Baylor College of Medicine</i>		NCC9-58-614		6,090	6,090
<i>Pass-Through from Baylor College of Medicine</i>		NCC9-58-94		(6,757)	(6,757)
<i>Pass-Through from Boeing Company</i>		420188 (ITEM 0001)		(452)	(452)
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1575188		16,729	16,729
<i>Pass-Through from Jet Propulsion Laboratory</i>		1575045		13,851	13,851
<i>Pass-Through from National Space Biomedical Research Institute</i>		MA04501		67,644	67,644

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC 9-58		5,278	5,278
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC9-58-94		343	343
<i>Pass-Through from Tao of Systems Integration, Inc.</i>		SRS REF M1500108		(440)	(440)
<i>Pass-Through from United Technologies Research Center</i>		1219064		(1,225)	(1,225)
Total - CFDA 43.002			112,008	1,151,434	1,263,442
Exploration	43.003		18,852	3,434,055	3,452,907
<i>Pass-Through from Baylor College of Medicine</i>		PO 7000000375		30,314	30,314
<i>Pass-Through from Colorado State University</i>		NNX15AK13G		382,667	382,667
<i>Pass-Through from Georgetown University</i>		410930		30,875	30,875
<i>Pass-Through from Georgetown University</i>		GR410927 1 -		162,457	162,457
<i>Pass-Through from Georgetown University</i>		GR410945 3		218,597	218,597
<i>Pass-Through from Georgetown University</i>		NNX15AI21G		12,705	12,705
<i>Pass-Through from National Space Biomedical Research Institute</i>		CA02802/NCC 9-58 298		5,960	5,960
<i>Pass-Through from University of Washington</i>		NNX16AE78G		21,697	21,697
Total - CFDA 43.003			18,852	4,299,327	4,318,179
Space Operations	43.007		23,538	793,489	817,027
<i>Pass-Through from American College of Sports Medicine</i>		111250		4,847	4,847
<i>Pass-Through from Baylor College of Medicine</i>		102239101		184,372	184,372
<i>Pass-Through from Florida State University</i>		NNX16AC28G		18,391	18,391
<i>Pass-Through from Northeastern University</i>		505035-78056		43,723	43,723
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T73015		507,572	507,572
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T73063		47,019	47,019
Total - CFDA 43.007			23,538	1,599,413	1,622,951
Education	43.008		4,373,707	6,426,085	10,799,792
<i>Pass-Through from Metrolaser, Inc.</i>		TEES01NA06		27,511	27,511
<i>Pass-Through from National Institute of Aerospace</i>		2A33-TAMU C15- 2A00-TAMU		56,329	56,329
<i>Pass-Through from National Institute of Aerospace</i>		C16-2B00- TAMU/2B58-TAMU		61,313	61,313
<i>Pass-Through from Omega Optics, Inc.</i>		8000002451		75,227	75,227
<i>Pass-Through from Paragon Space Development Corporation</i>		S09600008		32,928	32,928
<i>Pass-Through from University of Alabama - Huntsville</i>		2012-053		21,808	21,808
<i>Pass-Through from University of Alabama - Huntsville</i>		2015-042		51,663	51,663
<i>Pass-Through from Wex Foundation</i>		DTC-6018-2016 LCATS		41,651	41,651
Total - CFDA 43.008			4,373,707	6,794,515	11,168,222
Cross Agency Support	43.009			470,998	470,998
<i>Pass-Through from Atmospheric and Space Technology Research Associates, LLC</i>		NNX14AP88G		54,504	54,504
<i>Pass-Through from Mesa Photonics, LLC</i>		NNX15CA09C		25,162	25,162
<i>Pass-Through from Northwestern University</i>		SP003801-PROJ0011716		118,569	118,569
<i>Pass-Through from UCLA Atmospheric and Oceanic Sciences</i>		NNX13A161G		6,999	6,999
Total - CFDA 43.009			0	676,232	676,232
Space Technology	43.012		19,977	432,455	452,432
Total - National Aeronautics and Space Administration			6,404,825	38,492,359	44,897,184

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Endowment for the Humanities					
Promotion of the Arts Grants to Organizations and Individuals	45.024			35,307	35,307
Promotion of the Humanities Federal/State Partnership	45.129				
<i>Pass-Through from Humanities Texas</i>		2016-5046		3,000	3,000
<i>Pass-Through from Humanities Texas</i>		2016-5091		1,754	1,754
<i>Pass-Through from Humanities Texas</i>		8000002636		1,000	1,000
<i>Pass-Through from Humanities Texas</i>		HTX # 2017-5124		3,430	3,430
Total - CFDA 45.129			0	9,184	9,184
Promotion of the Humanities Division of Preservation and Access	45.149		50,296	164,703	214,999
Promotion of the Humanities Fellowships and Stipends	45.160			93,534	93,534
Promotion of the Humanities Research	45.161				
<i>Pass-Through from Bucknell University</i>		128121-UT02		22,413	22,413
<i>Pass-Through from George Mason University</i>		UTA16-001144 E2040021		1,565	1,565
Total - CFDA 45.161			0	23,978	23,978
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162				
<i>Pass-Through from Folger Institute</i>		FOLGER NEH MICRO-V0623994		5,820	5,820
Promotion of the Humanities Professional Development	45.163			109,699	109,699
Promotion of the Humanities Public Programs	45.164				
<i>Pass-Through from American Library Association</i>		LA105763		491	491
<i>Pass-Through from Humanities Texas</i>		2016-5057		1,500	1,500
Total - CFDA 45.164			0	1,991	1,991
Promotion of the Humanities Office of Digital Humanities	45.169			176,893	176,893
Grants to States	45.310			52,552	52,552
National Leadership Grants	45.312		66,454	94,968	161,422
<i>Pass-Through from Florida State University</i>		R01823		5,493	5,493
<i>Pass-Through from Virginia Polytechnic Institute</i>		451415-19C28		18,741	18,741
Total - CFDA 45.312			66,454	119,202	185,656
Laura Bush 21st Century Librarian Program	45.313		103,798	173,129	276,927
<i>Pass-Through from University of Pittsburgh</i>		0051077(411962-1)		3,865	3,865
Total - CFDA 45.313			103,798	176,994	280,792
Total - National Endowment for the Humanities			220,548	969,857	1,190,405
National Science Foundation					
National Science Foundation	47.XXX	1543301		77,982	77,982
<i>Pass-Through from American Institutes for Research</i>		76749/1136652/2/TIER	12,011	112,439	112,439
<i>Pass-Through from Georgia Institute of Technology</i>		0366900003 RG958-G1 PO# 3640358919		112,928	112,928

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Science Foundation (continued)					
<i>Pass-Through from Metropolitan Transportation Commission</i>		UTA15-000693	22,628	1,305	23,933
<i>Pass-Through from Research Foundation for the State University of New York</i>		76749/1136652/2/R		86,186	86,186
<i>Pass-Through from Research Foundation for the State University of New York</i>		76749/1136652/2/TIER		223,894	223,894
<i>Pass-Through from Research Foundation for the State University of New York</i>		76749/1336652/2/M		6,713	6,713
<i>Pass-Through from Uniformed Services University of the Health Sciences</i>		HU0001-16-1-TS08		8,610	8,610
<i>Pass-Through from University of California - San Diego</i>		89619393; S9001662		5,430	5,430
<i>Pass-Through from University of Missouri - Columbia</i>		C00054441-1		106,396	106,396
<i>Pass-Through from Woods Hole Research Institute</i>		WHRC-MG0917-01		61,703	61,703
Total - CFDA 47.XXX			34,639	803,586	838,225
Engineering Grants	47.041		2,521,883	39,228,771	41,750,654
<i>Pass-Through from Arizona State University</i>		12-731		(290)	(290)
<i>Pass-Through from Arizona State University</i>		17-102		173,927	173,927
<i>Pass-Through from Atlas Regeneration Technologies, LLC</i>		2016-1		65,843	65,843
<i>Pass-Through from Colorado State University</i>		G-00973-15		19,221	19,221
<i>Pass-Through from Diamond Tree, LLC</i>		UTA16-001371		72,417	72,417
<i>Pass-Through from Emissol, LLC</i>		M1701212		37,614	37,614
<i>Pass-Through from Femto Scale, Inc.</i>		1330350		(2,570)	(2,570)
<i>Pass-Through from Framergy, Inc.</i>		M1700969 02-413271		33,200	33,200
<i>Pass-Through from Guidabot, LLC</i>		1622946		99,362	99,362
<i>Pass-Through from Integrated Micro Sensors, Inc.</i>		1026825		(45,883)	(45,883)
<i>Pass-Through from Kampachi Farms, LLC</i>		SBIR 1243895		(34,405)	(34,405)
<i>Pass-Through from Kuma Signals, LLC</i>		UTA16-000728		67,548	67,548
		1549663			
<i>Pass-Through from Louisiana State University</i>		96227		12,828	12,828
<i>Pass-Through from Macromoltek, LLC</i>		UTA16-001222		38,320	38,320
<i>Pass-Through from Nano3d Biosciences, Inc.</i>		112751		12,626	12,626
<i>Pass-Through from Ohio State University</i>		60046373 PO		68,753	68,753
		RF01378732			
<i>Pass-Through from Oklahoma State University</i>		1-565747-TAMU		29,042	29,042
<i>Pass-Through from Pennsylvania State University</i>		5279-UNT-NSF-1155		36,428	36,428
<i>Pass-Through from Princeton University</i>		00001217		5,036	5,036
<i>Pass-Through from Purdue University</i>		4101-76209		18,345	18,345
<i>Pass-Through from Purdue University</i>		4101-76210		389,805	389,805
<i>Pass-Through from Purdue University</i>		4101-76825		61,622	61,622
<i>Pass-Through from San Diego State University Research Foundation</i>		1637704		54,130	54,130
<i>Pass-Through from Skywriterrx</i>		1549549		43,846	43,846
<i>Pass-Through from Stasys Medical Corporation</i>		PROTOCOL DVP-0514 AA-DRAFT		18,194	18,194
		96629		(269)	(269)
<i>Pass-Through from Superpower, Inc.</i>		1321506A		9,977	9,977
<i>Pass-Through from Syseng, LLC</i>		M1503132		(1,964)	(1,964)
<i>Pass-Through from Thermal Expansion Solutions, LLC</i>		M1701194		41,055	41,055
<i>Pass-Through from Thermal Expansion Solutions, LLC</i>		R1081525		9,811	9,811
<i>Pass-Through from University at Buffalo - Suny</i>		242687		83,637	83,637
<i>Pass-Through from University of California - Berkeley</i>		00008204/BB00188148		179,639	179,639
<i>Pass-Through from University of California - Los Angeles</i>		1160504		84,686	84,686
<i>Pass-Through from University of California - Riverside</i>		CBET-1144237 01		(238)	(238)
<i>Pass-Through from University of Colorado</i>		1554087		133,772	133,772
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		1540030		64,271	64,271

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Science Foundation (continued)					
<i>Pass-Through from University of Louisville Research Foundation, Inc.</i>		ULRF 16-0972-01		52,915	52,915
<i>Pass-Through from University of Minnesota</i>		A0005262201		140,391	140,391
<i>Pass-Through from University of Minnesota</i>		A003996501		30,079	30,079
<i>Pass-Through from University of Pennsylvania</i>		5570440 PO 3738966		23,834	23,834
<i>Pass-Through from University of South Alabama</i>		17-0073-01		910	910
<i>Pass-Through from University of Tennessee</i>		A12-0044-S005		40,017	40,017
<i>Pass-Through from University System of New Hampshire</i>		13-028		(1,127)	(1,127)
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		479261-19B36		2,232	2,232
<i>Pass-Through from Virginia Tech University</i>		478997-19892		(121)	(121)
<i>Pass-Through from Virginia Tech University</i>		479261-19433		11,659	11,659
<i>Pass-Through from Yearone, LLC</i>		IIP-1549618		39,125	39,125
Total - CFDA 47.041			2,521,883	41,448,021	43,969,904
Mathematical and Physical Sciences	47.049		662,207	34,407,290	35,069,497
<i>Pass-Through from American University</i>		1534233		41,755	41,755
<i>Pass-Through from Associated Universities, Inc.</i>		UTA16-001337 PO 355314		16,055	16,055
<i>Pass-Through from Association of Universities for Research in Astronomy</i>		N60354C		53,017	53,017
<i>Pass-Through from Barnard College</i>		UH-1565843		26,050	26,050
<i>Pass-Through from Baylor University</i>		32250179-01		25,655	25,655
<i>Pass-Through from California Institute of Technology</i>		68D-1094596		106,385	106,385
<i>Pass-Through from Carnegie Institution of Washington</i>		7-10220-01		1,042	1,042
<i>Pass-Through from Case Western Reserve University</i>		DMR-0423914 UTA06-623		10,504	10,504
<i>Pass-Through from Case Western Reserve University</i>		DMR-0423914 UTA11-288 BONNECAZE		113	113
<i>Pass-Through from Case Western Reserve University</i>		DMR-0423914 UTA11-289 ELLISON		(411)	(411)
<i>Pass-Through from City University of New York</i>		CHE1309640		7,137	7,137
<i>Pass-Through from Columbia University</i>		13/#5-25191 : P		1,534,215	1,534,215
<i>Pass-Through from Houston Community College System</i>		3550		6,976	6,976
<i>Pass-Through from National Radio Astronomy Observatory</i>		AST-1519126		5,421	5,421
<i>Pass-Through from Ohio State University</i>		60047148		109,991	109,991
<i>Pass-Through from Oregon State University</i>		1606982		64,034	64,034
<i>Pass-Through from Oregon State University</i>		CHE1102637		1,507	1,507
<i>Pass-Through from Princeton University</i>		0000137		177,200	177,200
<i>Pass-Through from University of California - Berkeley</i>		00008791		300,636	300,636
<i>Pass-Through from University of Minnesota</i>		00000524403		20,000	20,000
<i>Pass-Through from University of North Carolina</i>		5105684		30,284	30,284
<i>Pass-Through from University of Northern Iowa</i>		S6252A		4,942	4,942
<i>Pass-Through from University of South Carolina</i>		17-3168		4,469	4,469
<i>Pass-Through from University of Washington</i>		UWSC6757		202,903	202,903
<i>Pass-Through from University of Wisconsin - Milwaukee</i>		163405577A		171,464	171,464
<i>Pass-Through from Wesleyan University</i>		WESU5011003130		32,076	32,076
<i>Pass-Through from William Marsh Rice University</i>		PHY-1605817		122,886	122,886
<i>Pass-Through from William Marsh Rice University</i>		R3F204		88,978	88,978
<i>Pass-Through from William Marsh Rice University</i>		R3F80B		342,040	342,040
Total - CFDA 47.049			662,207	37,914,614	38,576,821
Geosciences	47.050		1,521,063	17,096,475	18,617,538
<i>Pass-Through from Austin Community College</i>		BPO12987-BPO12988		542	542
<i>Pass-Through from Columbia University</i>		1(GG010799)		36,802	36,802

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Science Foundation (continued)					
<i>Pass-Through from Columbia University</i>		10(GG009393)		100,980	100,980
<i>Pass-Through from Columbia University</i>		10(GG009393) 3(CHRISTESON)		37,632	37,632
<i>Pass-Through from Columbia University</i>		10(GG009393) 4 (GULICK)		15,748	15,748
<i>Pass-Through from Columbia University</i>		10(GG009393) 6 (GULICK)		63,240	63,240
<i>Pass-Through from Columbia University</i>		10(GG009393) 7 (CHRIS LOWERY)		3,573	3,573
<i>Pass-Through from Columbia University</i>		10(GG009393) 7 (CHRIS LOWRY)		11,681	11,681
<i>Pass-Through from Columbia University</i>		10(GG009393) 8 (KITTY MILLIKEN)		54,952	54,952
<i>Pass-Through from Columbia University</i>		10(GG009393) 9 (FOR AUSTIN)		64,330	64,330
<i>Pass-Through from Columbia University</i>		10(GG009393) LOA #2 WALLACE		43,098	43,098
<i>Pass-Through from Columbia University</i>		2(GG013106-02)		47,712	47,712
<i>Pass-Through from Columbia University</i>		26(GC009393-01)		39,624	39,624
<i>Pass-Through from Columbia University</i>		26(GG009393)		52,286	52,286
<i>Pass-Through from Columbia University</i>		26(GG009393-01)		39,156	39,156
<i>Pass-Through from Columbia University</i>		3 (GC002456)		13,098	13,098
<i>Pass-Through from Columbia University</i>		398(GG009393)		(87)	(87)
<i>Pass-Through from Columbia University</i>		9 (GG002806) 2 PO G04791		3,665	3,665
<i>Pass-Through from Columbia University</i>		EAR0958976		9,822	9,822
<i>Pass-Through from Conservation International Foundation</i>		1000484		(159)	(159)
<i>Pass-Through from Duke University</i>		14-NSF-1030		35,522	35,522
<i>Pass-Through from Duke University</i>		14-NSF-1030 LOA #1 LATRUBESSE		105,933	105,933
<i>Pass-Through from Georgia State University</i>		SP00011816-03		3,237	3,237
<i>Pass-Through from Incorporated Research Institutions for Seismology</i>		10-UTEP-SAGE		337,257	337,257
<i>Pass-Through from James Madison University</i>		S17-110-01		9,764	9,764
<i>Pass-Through from Northwest Research Associates, Inc.</i>		NWRA-15-S-182		1,323	1,323
<i>Pass-Through from Pennsylvania State University</i>		5381-UTEP-NSF-2211		14,331	14,331
<i>Pass-Through from Portland State University</i>		204FOU432		103,238	103,238
<i>Pass-Through from The Trustees of Columbia University</i>		3(GG009393-01)		6,547	6,547
<i>Pass-Through from University Corporation for Atmospheric Research</i>		W14-16198		53,194	53,194
<i>Pass-Through from University Corporation for Atmospheric Research</i>		Z16-21926		42,142	42,142
<i>Pass-Through from University of Georgia</i>		RR100-621/4943786		61,902	61,902
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		AB191		40,306	40,306
<i>Pass-Through from University of Kansas</i>		FY2017-034		61,175	61,175
<i>Pass-Through from University of Maryland</i>		39745-Z4761001		23,231	23,231
<i>Pass-Through from University of Miami</i>		S1603		4,447	4,447
<i>Pass-Through from University of Southern California</i>		33425379		47,937	47,937
<i>Pass-Through from University of Southern California</i>		52097439/10214394		1,394	1,394
<i>Pass-Through from University of Southern California</i>		62585492 - (EAR- 1033462)		20,039	20,039
<i>Pass-Through from University of Southern California</i>		Y88409		14,378	14,378
<i>Pass-Through from Utah State University</i>		130781-00001-275		17,033	17,033
<i>Pass-Through from William Marsh Rice University</i>		R3E515		111,874	111,874
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A101275		43,034	43,034
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A101285		192,267	192,267

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Science Foundation (continued)					
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A101317		3,720	3,720
Total - CFDA 47.050			1,521,063	19,089,395	20,610,458
Computer and Information Science and Engineering	47.070		1,704,670	58,454,626	60,159,296
<i>Pass-Through from Baylor College of Medicine</i>		102223336		104	104
<i>Pass-Through from Colorado State University</i>		G-56401-1		31,161	31,161
<i>Pass-Through from Computer Aids for Chemical Engineering</i>		SRS REF M1401549		81,999	81,999
<i>Pass-Through from Emory University</i>		1636933		15,141	15,141
<i>Pass-Through from Harvard University</i>		BL-4812502-UTA PO 1607654		(1,604)	(1,604)
<i>Pass-Through from Indiana University</i>		PO 1878585		25,056	25,056
<i>Pass-Through from New York University</i>		F4365-01 PO IB00001240		17,182	17,182
<i>Pass-Through from North Dakota State University</i>		FAR0027268		17,475	17,475
<i>Pass-Through from Purdue University</i>		4101-47540		243,128	243,128
<i>Pass-Through from Regents of the University of Colorado</i>		14-090-01		14,497	14,497
<i>Pass-Through from Syracuse University</i>		28175-04140-S01		14,273	14,273
<i>Pass-Through from The Rector and Visitors of The University of Virginia</i>		GA11196 153075		21,932	21,932
<i>Pass-Through from University of Arizona</i>		ACI-1443019		35,200	35,200
<i>Pass-Through from University of Buffalo</i>		R965416		217,920	217,920
<i>Pass-Through from University of California - San Diego</i>		CNS1338192		136,178	136,178
<i>Pass-Through from University of Illinois - Champaign</i>		083842-16259		3,056,025	3,056,025
<i>Pass-Through from University of Illinois - Champaign</i>		2011-00318-08ILLI IS CODE A1536		145,706	145,706
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2014-03629-01		27,416	27,416
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		CSAOC10725070		(714)	(714)
<i>Pass-Through from University of Louisville Research Foundation, Inc.</i>		ULRF-16-0870-02		7,592	7,592
<i>Pass-Through from University of Massachusetts - Amherst</i>		13-007379B 00 PO #A000415348		10,413	10,413
<i>Pass-Through from University of Michigan</i>		3002960285		153,388	153,388
<i>Pass-Through from University of Washington</i>		UWSC8901 BPO13326		96,160	96,160
<i>Pass-Through from University of Wisconsin</i>		487K281		41,422	41,422
<i>Pass-Through from Vanderbilt University</i>		UNIV59448		14,867	14,867
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		479648-19C41		31,656	31,656
Total - CFDA 47.070			1,704,670	62,908,199	64,612,869
Biological Sciences	47.074		1,419,379	15,350,481	16,769,860
<i>Pass-Through from Arizona State University</i>		14-343		12,143	12,143
<i>Pass-Through from Dartmouth College</i>		R900		29,046	29,046
<i>Pass-Through from Essentium Materials, LLC</i>		M1602882		26,407	26,407
<i>Pass-Through from Iowa State University</i>		420-71-61A		132,022	132,022
<i>Pass-Through from Kansas State University</i>		S17029		127,806	127,806
<i>Pass-Through from Michigan State University</i>		61-2075UT		2,930	2,930
<i>Pass-Through from Michigan State University</i>		61-2075UT 013 (W EXT)		546,669	546,669
<i>Pass-Through from Michigan State University</i>		RC062075UTRGV		11,429	11,429
<i>Pass-Through from North Carolina State University</i>		2010-1450-01		122,160	122,160
<i>Pass-Through from Portland State University</i>		MCB43963		4,612	4,612
<i>Pass-Through from Radford University</i>		F21021		636	636
<i>Pass-Through from The Samuel Roberts Noble Foundation, Inc.</i>		2012-943-003		41,495	41,495
<i>Pass-Through from University of Arizona</i>		131816		1,722,825	1,722,825
<i>Pass-Through from University of California - Los Angeles</i>		0521 G RA115		101,556	101,556

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Science Foundation (continued)					
<i>Pass-Through from University of California - Riverside</i>		IO5-1457000		42,047	42,047
<i>Pass-Through from University of Dayton Research Institute</i>		NSF 14-503		68,616	68,616
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		15998		26	26
<i>Pass-Through from University of Michigan</i>		MCB1411565		30,734	30,734
<i>Pass-Through from University of Minnesota</i>		H003254003		208,431	208,431
<i>Pass-Through from University of Northern Iowa</i>		S6093A/ PO 101O09		2,873	2,873
<i>Pass-Through from University of Utah</i>		10028702		3,448	3,448
<i>Pass-Through from Valdosta State University</i>		M1701183		11,070	11,070
Total - CFDA 47.074			1,419,379	18,599,462	20,018,841
Social, Behavioral, and Economic Sciences	47.075		122,345	7,519,489	7,641,834
<i>Pass-Through from American Bar Foundation</i>		SES-1535563 (02-446681)		22,067	22,067
<i>Pass-Through from American Sociological Association</i>		112508		5,461	5,461
<i>Pass-Through from Association of American Geographers</i>		8000002600		10,636	10,636
<i>Pass-Through from Baylor University</i>		1519667		7,464	7,464
<i>Pass-Through from George Washington University</i>		1542848		66,786	66,786
<i>Pass-Through from Human Relations Area Files, Inc.</i>		SA CO14-19 UTH CRE		7,847	7,847
<i>Pass-Through from Iowa State University</i>		420-71-26A		19,682	19,682
<i>Pass-Through from Michigan State University</i>		RC104050TAMU		30,054	30,054
<i>Pass-Through from Middle Tennessee State University</i>		537058-C		11,461	11,461
<i>Pass-Through from Penn State University</i>		SES-13576666		28,217	28,217
<i>Pass-Through from Texas Christian University</i>		24472-14-00		(706)	(706)
<i>Pass-Through from University of Arizona</i>		364486		1,643	1,643
<i>Pass-Through from University of Cincinnati</i>		008149 : BCS-12		103,124	103,124
<i>Pass-Through from University of Georgia</i>		SMA1262522		11,138	11,138
<i>Pass-Through from University of Kentucky</i>		1560907		19,391	19,391
<i>Pass-Through from University of Michigan</i>		3003765653		5,352	5,352
<i>Pass-Through from Utah State University</i>		200541-00001-296		47,027	47,027
Total - CFDA 47.075			122,345	7,916,133	8,038,478
Education and Human Resources	47.076		902,744	19,395,202	20,297,946
<i>Pass-Through from American Association for the Advancement of Science</i>		1548986		28,993	28,993
<i>Pass-Through from Association of American Geographers</i>		8000002088		5,646	5,646
<i>Pass-Through from Carleton College</i>		DUE-1125331		28,974	28,974
<i>Pass-Through from Consortium for Ocean Leadership</i>		SA16-38		1,625	1,625
<i>Pass-Through from Del Mar College</i>		#1		58,384	58,384
<i>Pass-Through from Franklin County Historical Society</i>		NSF DRL 1612555		1,217	1,217
<i>Pass-Through from New Mexico State University</i>		Q01635		38,720	38,720
<i>Pass-Through from North Dakota State University</i>		#FAR0025336		21,524	21,524
<i>Pass-Through from Oregon State University</i>		1515550-DRL		24,921	24,921
<i>Pass-Through from Rand Corporation</i>		9920160035		106,242	106,242
<i>Pass-Through from Teachers Development Group</i>		8000002640		64,218	64,218
<i>Pass-Through from Technical Education Research Center</i>		12745		14,391	14,391
<i>Pass-Through from Technical Education Research Center</i>		TERC #12745		10,739	10,739
<i>Pass-Through from Twin Cities Public Television Incorporated</i>		21217-01-03616		4,861	4,861
<i>Pass-Through from University at Buffalo - Suny</i>		R1057091		12,903	12,903
<i>Pass-Through from University of California</i>		NSF DRL 1317073		2,083	2,083
<i>Pass-Through from University of California - Santa Cruz</i>		S0184225		1,500	1,500
<i>Pass-Through from University of Massachusetts - Amherst</i>		14-007854 A		34,631	34,631
<i>Pass-Through from University of Michigan</i>		3003298136		3,269	3,269

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
National Science Foundation (continued)					
<i>Pass-Through from University of Missouri - Columbia</i>		C00056306-3		148,412	148,412
<i>Pass-Through from University of Oregon</i>		2001X0A		56,094	56,094
<i>Pass-Through from University of Wisconsin</i>		490K873 (DUE- 1231286)		5,646	5,646
<i>Pass-Through from University of Wisconsin</i>		490K921		37,686	37,686
<i>Pass-Through from University of Wisconsin</i>		8000002676		16,688	16,688
<i>Pass-Through from University of Wisconsin System</i>		490K803		30,070	30,070
Total - CFDA 47.076			902,744	20,154,639	21,057,383
Polar Programs	47.078		25,345	138,905	164,250
<i>Pass-Through from Ch2m Hill Constructors, Inc.</i>		10007-7-101207		343,173	343,173
Total - CFDA 47.078			25,345	482,078	507,423
Office of International Science and Engineering	47.079		153,298	653,191	806,489
<i>Pass-Through from Crdf Global</i>		54-17773406		120,007	120,007
<i>Pass-Through from Johns Hopkins University</i>		2001648885		156,416	156,416
<i>Pass-Through from Johns Hopkins University</i>		OISE-1243482		19,744	19,744
Total - CFDA 47.079			153,298	949,358	1,102,656
Office of Cyberinfrastructure	47.080			185,864	185,864
<i>Pass-Through from University of Georgia</i>		RR197-0174941206		14,478	14,478
<i>Pass-Through from Utah State University</i>		12008204		4,350	4,350
Total - CFDA 47.080			0	204,692	204,692
Office of Integrative Activities	47.083			17,824	17,824
<i>Pass-Through from Boise State University</i>		6800-F		46,934	46,934
<i>Pass-Through from University of Rochester</i>		416752-G			
Total - CFDA 47.083			0	64,758	64,758
Total - National Science Foundation			9,067,573	210,534,935	219,602,508
Small Business Administration					
Small Business Development Centers	59.037			268,704	268,704
Total - Small Business Administration			0	268,704	268,704
U.S. Department of Veterans Affairs					
U.S. Department of Veterans Affairs	64.XXX	113015		27,131	27,131
		464 511 00		211,239	211,239
		500014		6,195	6,195
		500190		930	930
		55805B		36,972	36,972
		580C65149		1,839	1,839
		580-C65285		2,345	2,345
		580-D72040		14,750	14,750
		580-D72041		8,725	8,725
		580-D72099		17,244	17,244
		580-D72103		11,677	11,677

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Veterans Affairs (continued)					
		AGUIAR/IPAA/LIN		68,870	68,870
		AGUIAR/IPAA/WANG		31,524	31,524
		AHUJA/IPAA/CARRIL LO		47,829	47,829
		AHUJA/IPAA/GARCIA		23,914	23,914
		AHUJA/IPAA/INGALE		(320)	(320)
		AHUJA/IPAA/MA HARAN		73,662	73,662
		AHUJA/IPAA/PANDR ANKI		60,688	60,688
		AHUJA/IPAA/ROGER S		26,083	26,083
		BARNES/IPAA/DAS		47,642	47,642
		BARNES/IPAA/PATE L		3,340	3,340
		BARNES/IPAA/SPRIN GER		2,177	2,177
		BLOUNT/IPAA		6,974	6,974
		BLOUNT/IPAA/BLOU NT		929	929
		BOLLINGER/IPAA/HA RO		18,012	18,012
		BOLLINGER/IPAA/M ADER		2,826	2,826
		CHATTERJEE/IPA/JI ANG		26,969	26,969
		CHATTERJEE/IPAA/P ARK		35,547	35,547
		CHATTERJEE/IPAA/S ONG		41,552	41,552
		CHEN/IPAA/DAI		38,089	38,089
		CHEN/IPAA/DEAN		31,710	31,710
		CHEN/IPAA/ZHONG		42,045	42,045
		CLARK/IPAA/CHANDU		75,132	75,132
		CLARK/IPAA/EVANS		39,842	39,842
		CLARK/IPAA/MUIR		3,606	3,606
		CLARK/IPAA/SHEN		12,322	12,322
		DAWES/IPAA/CARRI ZALE		2,936	2,936
		ESPI		37,746	37,746
		ZA/IPAA/CONDE			
		ESPI ZA/IPAA/KELLY		30,716	30,716
		ESPI ZA/IPAA/LI		63,936	63,936
		ESPI		(10,528)	(10,528)
		ZA/IPAA/MACCAR			
		ESPI		63,802	63,802
		ZA/IPAA/MACCART HY			
		ESPI ZA/IPAA/MORIS		37,513	37,513
		ESPI ZA/IPAA/ROMO		11,749	11,749
		ESPI ZA/IPAA/WANG		36,688	36,688
		FELDMAN/IPAA/HAL ANEY		(29)	(29)

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Veterans Affairs (continued)					
		FINLEY/IPAA/ EL		11,750	11,750
		FINLEY/IPAA/MADE R		31,335	31,335
		FOX/IPAA/ACHESON		(41)	(41)
		FOX/IPAA/FRANKLIN		19,916	19,916
		FOX/IPAA/LANCAST ER		15,832	15,832
		FOX/IPAA/RAMAGE		(155)	(155)
		FOX/IPAA/RODRIGU EZ		(87)	(87)
		FOX/IPAA/SALINAS		21,692	21,692
		FOX/IPAA/WOOLSEY		17,192	17,192
		FRAZER/IPAA/ARRO YO		23,817	23,817
		FRAZER/IPAA/BULIN		47,953	47,953
		FRAZER/IPAA/CARR E		58,985	58,985
		FREEMAN/IPAA/ZHAO		128,020	128,020
		GALVAN/IPAA/DERO SA		21,502	21,502
		GALVAN/IPAA/HUSS ONG		62,118	62,118
		GALVAN/IPAA/OLSO N		19,576	19,576
		GHOSH- CHOUDHUR/IPAA/PA TEL		27,294	27,294
		GHOSH- CHOUDHURY/IPAA/D AS		16,124	16,124
		GHOSH- CHOUDHURY/IPAA/ MAIT		15,633	15,633
		GHOSH- CHOUNDHURY/IPAA/ BAR		77,011	77,011
		HABIB/IPAA/KOSTI		(197)	(197)
		HABIB/IPAA/LIANG		32,106	32,106
		HABIB/IPAA/MOHAN		5,098	5,098
		HABIB/IPAA/NAYAK		11,999	11,999
		HABIB/IPAA/OBAIDI		5,330	5,330
		HABIB/IPAA/RYU		7,421	7,421
		HABIB/IPAA/ZHAO		(19)	(19)
		HART/IPAA/CAO		70,751	70,751
		HART/IPAA/CLARK		(6,522)	(6,522)
		HART/IPAA/HOLLO WAY		76,896	76,896
		HORNSBY/IPAA/GAL EA		(173)	(173)
		IKE /IPAA/FLORES		4,049	4,049
		JARAMILLO/IPAA/WI LLIAMS C		18,573	18,573
		KAMAT/IPAA/SHI		40,237	40,237
		KAMAT/IPAA/SHU		13,971	13,971

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Veterans Affairs (continued)					
		KASINATH/IPAA/LEE		62,989	62,989
		LEYKUM/IPAA/HIBN		53,562	53,562
		ER			
		LI/IPAA/BHATTACH		27,456	27,456
		ARJE			
		LI/IPAA/CHEN		66,773	66,773
		LI/IPAA/GUDERYON		15,958	15,958
		M1600632		(27)	(27)
		M1601638		13,255	13,255
		M1601639		11,316	11,316
		M1700611		12,606	12,606
		M1702855		17,000	17,000
		MORILAK/IPAA/GIRO		24,723	24,723
		TTI			
		MORILAK/IPAA/LER		22,656	22,656
		TPHINYOWO			
		MORILAK/IPAA/SILVA		15,811	15,811
		MUSI/IPAA/HARTMAN		26,065	26,065
		O CON		9,592	9,592
		R/IPAA/COELHO			
		O CON R/IPAA/DUGAN		23,914	23,914
		O CON R/IPAA/REDUS		26,116	26,116
		PETERSON/IPAA/		561	561
		NDAN			
		PETERSON/IPAA/		8,422	8,422
		NDANVILLE			
		PETERSON/IPAA/AG		(223)	(223)
		UILE			
		PETERSON/IPAA/BA		26,614	26,614
		RRERA			
		PETERSON/IPAA/BIRA		47,541	47,541
		PETERSON/IPAA/BL		4,861	4,861
		ANKENSHIP			
		PETERSON/IPAA/BL		32,520	32,520
		OUNT			
		PETERSON/IPAA/BR		(54)	(54)
		ACKI			
		PETERSON/IPAA/BR		2,967	2,967
		ACKINS			
		PETERSON/IPAA/BRI		44,812	44,812
		LLIOTT			
		PETERSON/IPAA/BR		6,128	6,128
		UNDI			
		PETERSON/IPAA/BR		69,995	69,995
		UNDIGE			
		PETERSON/IPAA/BU		96,873	96,873
		EL			
		PETERSON/IPAA/CA		31,170	31,170
		SADY			
		PETERSON/IPAA/CH		976	976
		AVEZ			
		PETERSON/IPAA/CH		44,781	44,781
		EN			

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Veterans Affairs (continued)					
		PETERSON/IPAA/CO BOS		31,072	31,072
		PETERSON/IPAA/CO MPTON		17,027	17,027
		PETERSON/IPAA/CU ELLAR		56,703	56,703
		PETERSON/IPAA/FA CU		8,446	8,446
		PETERSON/IPAA/FA CUND		8,434	8,434
		PETERSON/IPAA/FINA		26,461	26,461
		PETERSON/IPAA/FL ORES		30,830	30,830
		PETERSON/IPAA/GE LFOND		27,053	27,053
		PETERSON/IPAA/GR UENW		6,102	6,102
		PETERSON/IPAA/HA LL-CLARK		34,248	34,248
		PETERSON/IPAA/HA MMAC		4,291	4,291
		PETERSON/IPAA/HA MMACK		53,352	53,352
		PETERSON/IPAA/HA NCOC		4,418	4,418
		PETERSON/IPAA/HA NCOCK		49,429	49,429
		PETERSON/IPAA/HA RGIT		5,266	5,266
		PETERSON/IPAA/HA RGITA		62,314	62,314
		PETERSON/IPAA/HU MMEL		23,798	23,798
		PETERSON/IPAA/LI		85,185	85,185
		PETERSON/IPAA/LIM		13,836	13,836
		PETERSON/IPAA/LIU		13,408	13,408
		PETERSON/IPAA/LO PEZ-CRUZA		24,204	24,204
		PETERSON/IPAA/MA CINTYRE		1,504	1,504
		PETERSON/IPAA/MC GEAR		7,332	7,332
		PETERSON/IPAA/MC GEARY		54,336	54,336
		PETERSON/IPAA/ME N Z		(18,140)	(18,140)
		PETERSON/IPAA/ME N ZA		19,014	19,014
		PETERSON/IPAA/MI CHAL		14,685	14,685
		PETERSON/IPAA/MI CHALEK		3,314	3,314
		PETERSON/IPAA/MI NTZ		104,251	104,251

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Veterans Affairs (continued)					
		PETERSON/IPAA/MO RE		3,088	3,088
		PETERSON/IPAA/MO RING		4,030	4,030
		PETERSON/IPAA/MU ENZL		5,004	5,004
		PETERSON/IPAA/MU RFF		86,040	86,040
		PETERSON/IPAA/NA BITY		30,236	30,236
		PETERSON/IPAA/NE GOVE		3,770	3,770
		PETERSON/IPAA/PLE YTE		93,727	93,727
		PETERSON/IPAA/PR UIKS		4,652	4,652
		PETERSON/IPAA/PR UIKSMA		49,441	49,441
		PETERSON/IPAA/RO ACHE		100,099	100,099
		PETERSON/IPAA/SC HOLLER		76,189	76,189
		PETERSON/IPAA/SH AH		16,479	16,479
		PETERSON/IPAA/YO UNG-		1,421	1,421
		PETERSON/IPAA/YO UNG-MCCAU		50,472	50,472
		PETERSON/IPAA/ZH ANG		45,149	45,149
		PLISZKA/IPAA/HEND RIC		(349)	(349)
		PO # 580-D72028 PO		7,587	7,587
		CREATE:580D72120		12,691	12,691
		PUGH/IPAA/ EL		61,211	61,211
		PUGH/IPAA/BOUCHER		(50)	(50)
		PUGH/IPAA/ELIZON		(754)	(754)
		PUGH/IPAA/FRANKLIN		29,429	29,429
		PUGH/IPAA/LANHAM		22,932	22,932
		PUGH/IPAA/MCCON NELL		45,056	45,056
		PUGH/IPAA/MCMILL AN		(233)	(233)
		PUGH/IPAA/NAHID		44,408	44,408
		PUGH/IPAA/PALMER		833	833
		PUGH/IPAA/RODRIG UEZ		(741)	(741)
		PUGH/IPAA/SWAN		(384)	(384)
		PUGH/IPAA/WANG		817	817
		PUGH/IPAA/WELLS		22,987	22,987
		RAN/IPAA/CHEN		(120)	(120)
		RAN/IPAA/NA		(1,479)	(1,479)

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Veterans Affairs (continued)					
		SANCHEZ/IPAA/GARZA		37,083	37,083
		SANCHEZ-REILLY/IPAA/GARZA		26,516	26,516
		SANCHEZ-REILLY/IPAA/MARTI		32,915	32,915
		SANCHEZ-REILLY/IPAA/SCOTT		15,925	15,925
		SHEA D1146-R		12,501	12,501
		SONI/IPAA/HENDRICKS		7,755	7,755
		SONI/IPAA/MADER		22,797	22,797
		SONI/IPAA/TIPTON		48,575	48,575
		STRONG/IPAA/MARTINEZ		75,131	75,131
		TRBOVICH/IPAA/WUTA17-000247		22,721	22,721
		VA240-16-D-0068		47,870	47,870
		VA245-15-P-0733		140,570	140,570
		VA260-15-P-0286 PO#663-D54043		(2,755)	(2,755)
		VA260-15-P-0286 PO#663-D64036		58,384	58,384
		VA26815C0041		3,668	3,668
		VA268-15-D-0044		14,924	14,924
		VA268-15-D-0073		293,486	293,486
		WAGNER/IPAA/DRELL		1,894	1,894
		WAGNER/IPAA/LEE		56,564	56,564
		WAGNER/IPAA/TAN		45,542	45,542
		WEINER/IPAA/CASTABEDA		64,759	64,759
		WEINER/IPAA/DUQUENE		37,714	37,714
		WEINER/IPAA/URIBE		56,306	56,306
		WILLIAMSON/IPAA/CUEL		6,803	6,803
		YEH/IPAA/DEAN		18,883	18,883
<i>Pass-Through from Central Texas Veterans Health Care System</i>		ABH-6693 MORISETTE		18,516	18,516
				21,738	21,738
Total - CFDA 64.XXX			0	5,889,832	5,889,832
Veterans Medical Care Benefits	64.009			(28,087)	(28,087)
Veterans State Hospital Care	64.016			108,491	108,491
<i>Pass-Through from University of Maryland</i>		512-D65047		206	206
Total - CFDA 64.016			0	108,697	108,697
Sharing Specialized Medical Resources	64.018			57,547	57,547
Total - U.S. Department of Veterans Affairs			0	6,027,989	6,027,989

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
Environmental Protection Agency					
Environmental Protection Agency	66.XXX				
<i>Pass-Through from Health Effects Institute</i>		4949-RFA14-215-3		(139)	(139)
<i>Pass-Through from Health Effects Institute</i>		4949-RFA14-215-3-2		97,613	97,613
		LTR DTD 42616			
<i>Pass-Through from Health Effects Institute</i>		4949-RFA14-215-3-2		28,390	28,390
		YR3 LTR5-4-17			
Total - CFDA 66.XXX			0	125,864	125,864
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034			13,633	13,633
<i>Pass-Through from Rti International</i>		8-312-0213244-51380L 1		12,738	12,738
Total - CFDA 66.034			0	26,371	26,371
Water Pollution Control State, Interstate, and Tribal Program Support	66.419			1,402,459	1,402,459
Water Quality Management Planning	66.454				
<i>Pass-Through from Cb&i Federal Services, LLC</i>		201536		90	90
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1713;1726;1729;1703;1 705		89,395	89,395
Total - CFDA 66.454			0	89,485	89,485
National Estuary Program	66.456			194,655	194,655
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1603		43,992	43,992
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1720		17,576	17,576
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1722		26	26
Total - CFDA 66.456			0	256,249	256,249
Nonpoint Source Implementation Grants	66.460			1,866,738	1,866,738
<i>Pass-Through from Attain, LLC</i>		EPA-003		126,611	126,611
<i>Pass-Through from Siotex Corporation</i>		8000002490		1,018	1,018
Total - CFDA 66.460			0	1,994,367	1,994,367
Gulf of Mexico Program	66.475			347	347
Science To Achieve Results (STAR) Research Program	66.509		427,070	1,424,597	1,851,667
<i>Pass-Through from Carnegie Mellon University</i>		1080358-364695		96,483	96,483
<i>Pass-Through from University of Colorado</i>		83560301/ CU#1552329		6,324	6,324
<i>Pass-Through from University of Massachusetts - Amherst</i>		15 008462 E02 LOA #4-SEIBERT		5,429	5,429
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 - ADMIN UNIT		34,537	34,537
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 A LOA		73,358	73,358
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 C LOA-KATZ		138,489	138,489
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 D LOA-KIRISITS		79,961	79,961
<i>Pass-Through from University of South Florida</i>		83556901 2104-1198- 00-EPO#0000205417		51,501	51,501
Total - CFDA 66.509			427,070	1,910,679	2,337,749

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
Environmental Protection Agency (continued)					
P3 Award: National Student Design Competition for Sustainability	66.516			42,174	42,174
Performance Partnership Grants	66.605		57,567	621,032	678,599
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		700	700
<i>Pass-Through from Border Environment Cooperation Commission</i>		TAA16-010		23,032	23,032
<i>Pass-Through from Border Environment Cooperation Commission</i>		TAA16-013		3,725	3,725
<i>Pass-Through from Southwest Border Ahec</i>		BECCS #4-00F59501-1		49	49
Total - CFDA 66.931			0	27,506	27,506
Total - Environmental Protection Agency			484,637	6,496,533	6,981,170
Nuclear Regulatory Commission					
Nuclear Regulatory Commission	77.XXX	NRC-HQ-60-15-C-0005		145,277	145,277
<i>Pass-Through from University of Wisconsin</i>		707K722		63,154	63,154
Total - CFDA 77.XXX			0	208,431	208,431
U.S. Nuclear Regulatory Commission Nuclear Education Grant 143,451 Program	77.006				143,451
U.S. Nuclear Regulatory Commission Minority Serving Institutions Program (MSIP)	77.007			701,533	701,533
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008			492,475	492,475
U.S. Nuclear Regulatory Commission Office of Research Financial Assistance Program	77.009				
<i>Pass-Through from Bechtel Marine Propulsion Corporation</i>		104453		66,603	66,603
Total - Nuclear Regulatory Commission			0	1,612,493	1,612,493
U.S. Department of Energy					
U.S. Department of Energy	81.XXX	1098775		(6)	(6)
		1377930		42,851	42,851
		1668213		5,620	5,620
		1681999		70,919	70,919
		1695322		2,311	2,311
		1705733		17,391	17,391
		1710670		118,892	118,892
		26-0838-7462		7,051	7,051
		267205		28,693	28,693
		279384		70,705	70,705
		28-S172812		14,764	14,764
		345007		36,814	36,814
		366448		36,246	36,246
		371931		50,192	50,192
		4000150102		52,594	52,594
		401212		42,971	42,971
		412387		40,652	40,652

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Energy (continued)					
		6F-30501		17,605	17,605
		70691	158,064	163,358	321,422
		B620202		87,409	87,409
		B621434		26,254	26,254
		DE-AC05-76RL01830		61,798	61,798
		DE-EP0000011		20,405	20,405
		DE-FE0029487		126,794	126,794
		PO 1318954		(229)	(229)
		PO 1710670	31,324	34,496	65,820
		S013464-B LOA BE		975,546	975,546
		S013464-H	57,511	583,376	640,887
		TOA 274811		48,204	48,204
<i>Pass-Through from Alliance for Sustainable Energy, LLC</i>		XFC-7-70022-01		116,627	116,627
<i>Pass-Through from Alstom Power, Inc.</i>		A-9 (PO 400738926)		2,353	2,353
<i>Pass-Through from Ampeers, LLC</i>		DE-SC0015983		38,314	38,314
<i>Pass-Through from Argonne National Laboratory</i>		2F-32641		(1,440)	(1,440)
<i>Pass-Through from Argonne National Laboratory</i>		3F-31101		2,589	2,589
<i>Pass-Through from Argonne National Laboratory</i>		3F-31921 M0008 NCE		2,264	2,264
<i>Pass-Through from Argonne National Laboratory</i>		DEAC0206CH11357		(802)	(802)
<i>Pass-Through from Battelle</i>		166299		13,212	13,212
<i>Pass-Through from Battelle</i>		4000152388		59,327	59,327
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		173387		6,337	6,337
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		181217		15,429	15,429
<i>Pass-Through from Battelle Memorial Institute</i>		314307		15,059	15,059
<i>Pass-Through from Battelle Pacific Northwest Division</i>		261990		2,583	2,583
<i>Pass-Through from Battelle Pacific Northwest Laboratory</i>		348348		8,826	8,826
<i>Pass-Through from Battelle Pacific Northwest Laboratory</i>		352214		42,627	42,627
<i>Pass-Through from Bechtel Marine Propulsion Corporation</i>		DVM-118117		207,927	207,927
<i>Pass-Through from Brookhaven National Laboratory</i>		229206 PR:DE-AC02-98		393,459	393,459
<i>Pass-Through from Brookhaven National Laboratory</i>		254299 :DE-AC02		1,078	1,078
<i>Pass-Through from Brookhaven National Laboratory</i>		317172		(4,586)	(4,586)
<i>Pass-Through from Brookhaven National Laboratory</i>		DE-AC02-98CH10886		203,375	203,375
<i>Pass-Through from Brookhaven Science Associates, LLC</i>		264917		31,981	31,981
<i>Pass-Through from Brookhaven Science Associates, LLC</i>		M1402265 02-440711		492,153	492,153
<i>Pass-Through from Brookhaven Science Associates, LLC</i>		M1502524 02-443822		52,744	52,744
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA14-000883		383,227	383,227
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		0000057604		243	243
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		DE-NA0001942		147,211	147,211
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PO 0000055323		176,129	176,129
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PTX01-0000031097		74,594	74,594
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PTX01-0000052754		385,479	385,479
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PTX01-0000057158		99,115	99,115
<i>Pass-Through from Denbury Resources</i>		DE-FE-0002381 1		16,284	16,284
<i>Pass-Through from E - Spectrum Technologies, Inc.</i>		UTA16-000767 STTR		89,118	89,118
<i>Pass-Through from E - Spectrum Technologies, Inc.</i>		UTA16-000769		49,910	49,910
<i>Pass-Through from Electric Power Research Institute</i>		10006623		25,617	25,617
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		634446		12,141	12,141
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		635140		74,356	74,356
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		PO 618223 (DE-AC02-07CH11359)		59,209	59,209
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		PO#625652		9,976	9,976
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		PO632043		42,205	42,205
<i>Pass-Through from Fermi Research Alliance, LLC</i>		584823		142,396	142,396
<i>Pass-Through from Fermi Research Alliance, LLC</i>		618990		89,679	89,679
<i>Pass-Through from Fermi Research Alliance, LLC</i>		626308		20,554	20,554

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Energy (continued)					
<i>Pass-Through from Fermi Research Alliance, LLC</i>		626430		24,338	24,338
<i>Pass-Through from Fermi Research Alliance, LLC</i>		631773		21,957	21,957
<i>Pass-Through from Honeywell Federal Manufacturing and Technologies, LLC</i>		N000214354		78,217	78,217
<i>Pass-Through from Hyper Tech Research, Inc.</i>		1600046H		21,256	21,256
<i>Pass-Through from Hyper Tech Research, Inc.</i>		DE-SC0017205 1700047H		41,548	41,548
<i>Pass-Through from Idaho National Laboratory</i>		00150706 6		146,300	146,300
<i>Pass-Through from Jefferson Science Associates, LLC</i>		JSA-15-C1181-355823		(11)	(11)
<i>Pass-Through from Keylogic Systems, Inc.</i>		K6000-697		(425)	(425)
<i>Pass-Through from Keylogic Systems, Inc.</i>		LS-5000-045 PO 5000045001		9,904	9,904
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		6815130 12 UTA15- 000526		(4,541)	(4,541)
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7052152		9,740	9,740
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7216561		72,499	72,499
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7223523		146,814	146,814
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7277281		26,365	26,365
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7343163		51,032	51,032
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B612618		20,229	20,229
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B617787		1,178	1,178
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B618518		117,314	117,314
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B621043		84,760	84,760
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B622458		57,948	57,948
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B623104		53,733	53,733
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B623543		158,800	158,800
<i>Pass-Through from Lawrence Livermore National Security, LLC</i>		DEAC5207NA27344		1,112	1,112
<i>Pass-Through from Lightwave Photonics, Inc.</i>		7 15 16		20,075	20,075
<i>Pass-Through from Los Alamos National Laboratory</i>		357727		20,313	20,313
<i>Pass-Through from Los Alamos National Laboratory</i>		361651		101,983	101,983
<i>Pass-Through from Los Alamos National Laboratory</i>		367690		255,601	255,601
<i>Pass-Through from Los Alamos National Laboratory</i>		378768		178,399	178,399
<i>Pass-Through from Los Alamos National Laboratory</i>		407626		576,151	576,151
<i>Pass-Through from Los Alamos National Laboratory</i>		419951		35,453	35,453
<i>Pass-Through from Los Alamos National Laboratory</i>		421744		38,837	38,837
<i>Pass-Through from Los Alamos National Laboratory</i>		4401777		10,658	10,658
<i>Pass-Through from Los Alamos National Laboratory</i>		79506-001-10		55,866	55,866
<i>Pass-Through from Los Alamos National Laboratory</i>		DEAC5206NA25396		64,867	64,867
<i>Pass-Through from Los Alamos National Laboratory</i>		DE-AC52-06NA25396		44,100	44,100
<i>Pass-Through from Los Alamos National Security, LLC</i>		365210		174,946	174,946
<i>Pass-Through from Los Alamos National Security, LLC</i>		402692		608	608
<i>Pass-Through from Ntess, LLC - National Technology and Engineering Solutions of Sandi</i>		1427597		77,113	77,113
<i>Pass-Through from Ntess, LLC - National Technology and Engineering Solutions of Sandi</i>		1573619		(101)	(101)
<i>Pass-Through from Ntess, LLC - National Technology and Engineering Solutions of Sandi</i>		1694910		30,546	30,546
<i>Pass-Through from Ntess, LLC - National Technology and Engineering Solutions of Sandi</i>		1803212		25,002	25,002
<i>Pass-Through from Ntess, LLC - National Technology and Engineering Solutions of Sandi</i>		1821968		13,401	13,401
<i>Pass-Through from Nvidia Corporation</i>		UTA14-001189		68,444	68,444
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000134027		9,350	9,350
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-000490		50,295	50,295
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-000490 1		36,882	36,882
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-000490 1 LOA		109,077	109,077

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Energy (continued)					
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-000490 LOA		99,140	99,140
<i>Pass-Through from Pacific Northwest Laboratory</i>		232973		252	252
<i>Pass-Through from Pacific Northwest Laboratory</i>		249181 3		16,154	16,154
<i>Pass-Through from Pacific Northwest Laboratory</i>		311215		97,520	97,520
<i>Pass-Through from Pacific Northwest Laboratory</i>		312853 01		55,985	55,985
<i>Pass-Through from Pacific Northwest Laboratory</i>		312853 01 (HARDAGE LOA 01)		77,500	77,500
<i>Pass-Through from Pacific Northwest Laboratory</i>		319532		13,587	13,587
<i>Pass-Through from Pacific Northwest Laboratory</i>		320469		27,041	27,041
<i>Pass-Through from Pacific Northwest Laboratory</i>		337614 05		31,709	31,709
<i>Pass-Through from Pacific Northwest Laboratory</i>		367788		42,690	42,690
<i>Pass-Through from Pacific Northwest National Laboratory</i>		325381		946	946
<i>Pass-Through from Peterbilt Motors Company</i>		17-0260		28,790	28,790
<i>Pass-Through from Radiabeam Technologies, LLC</i>		DE-SCOOO11826		280,498	280,498
<i>Pass-Through from Radiasoft, LLC</i>		15212-TAMU-01		28,539	28,539
<i>Pass-Through from Regents of the University of California</i>		7284284		71,948	71,948
<i>Pass-Through from Rochester Institute of Technology</i>		00070449		1,344	1,344
<i>Pass-Through from Sandia National Laboratories</i>		1174449		6,891	6,891
<i>Pass-Through from Sandia National Laboratories</i>		1315794		60,407	60,407
<i>Pass-Through from Sandia National Laboratories</i>		1364673		(1,950)	(1,950)
<i>Pass-Through from Sandia National Laboratories</i>		1439100 REV 4		8,304	8,304
<i>Pass-Through from Sandia National Laboratories</i>		1578668-2		10,535	10,535
<i>Pass-Through from Sandia National Laboratories</i>		164522		(4,350)	(4,350)
<i>Pass-Through from Sandia National Laboratories</i>		1648371		63,234	63,234
<i>Pass-Through from Sandia National Laboratories</i>		1649012		60,699	60,699
<i>Pass-Through from Sandia National Laboratories</i>		1650116		95,981	95,981
<i>Pass-Through from Sandia National Laboratories</i>		1650878		(4,823)	(4,823)
<i>Pass-Through from Sandia National Laboratories</i>		1651007		14,191	14,191
<i>Pass-Through from Sandia National Laboratories</i>		1651970		24,814	24,814
<i>Pass-Through from Sandia National Laboratories</i>		1655809		96,605	96,605
<i>Pass-Through from Sandia National Laboratories</i>		1663195		4,027	4,027
<i>Pass-Through from Sandia National Laboratories</i>		1710674		29,923	29,923
<i>Pass-Through from Sandia National Laboratories</i>		1724551		61,516	61,516
<i>Pass-Through from Sandia National Laboratories</i>		1737865		45,756	45,756
<i>Pass-Through from Sandia National Laboratories</i>		1739503		78,488	78,488
<i>Pass-Through from Sandia National Laboratories</i>		1740355		61,529	61,529
<i>Pass-Through from Sandia National Laboratories</i>		1745141 PO		21,999	21,999
<i>Pass-Through from Sandia National Laboratories</i>		1756178		5,387	5,387
<i>Pass-Through from Sandia National Laboratories</i>		1779897		41,186	41,186
<i>Pass-Through from Sandia National Laboratories</i>		1789498		24,263	24,263
<i>Pass-Through from Sandia National Laboratories</i>		1795505		20,141	20,141
<i>Pass-Through from Sandia National Laboratories</i>		PO 1386784		58,786	58,786
<i>Pass-Through from Sandia National Laboratories</i>		PO 1667965		6,118	6,118
<i>Pass-Through from Sandia National Laboratories</i>		PO1452528		167,827	167,827
<i>Pass-Through from Savannah River Nuclear Solutions, LLC</i>		0000158190		7,760	7,760
<i>Pass-Through from Savannah River Nuclear Solutions, LLC</i>		308826		115,271	115,271
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-14569001-A		28,569	28,569
<i>Pass-Through from Stanford University Slac National Accelerator Laboratory</i>		165110		2,766	2,766
<i>Pass-Through from Uchicago Argonne, LLC</i>		4F-32043		41,680	41,680
<i>Pass-Through from Uchicago Argonne, LLC</i>		5F-32481		(1,157)	(1,157)
<i>Pass-Through from Uchicago Argonne, LLC</i>		6F-32263		14,866	14,866
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		078608-16310		2,846	2,846

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Energy (continued)					
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		078612-16454		2,171	2,171
<i>Pass-Through from Urs</i>		244799US40819273108 7477		294,437	294,437
<i>Pass-Through from Urs Federal Services, Inc.</i>		AECOM-URS-CAP-17- 004NTP		224,951	224,951
<i>Pass-Through from UT - Battelle, LLC</i>		4000122526 4		61,134	61,134
<i>Pass-Through from UT - Battelle, LLC</i>		4000136442 (INCREMENT)		82,835	82,835
<i>Pass-Through from UT - Battelle, LLC</i>		4000144878		120,059	120,059
<i>Pass-Through from UT - Battelle, LLC</i>		4000145754 # 2		70,310	70,310
<i>Pass-Through from UT - Battelle, LLC</i>		4000145754 1ST INCREMENT		47,621	47,621
<i>Pass-Through from UT - Battelle, LLC</i>		4000145759		72,430	72,430
<i>Pass-Through from UT - Battelle, LLC</i>		4000149055		4,591	4,591
<i>Pass-Through from UT - Battelle, LLC</i>		4000155206		31,381	31,381
<i>Pass-Through from UT - Battelle, LLC</i>		M1602134		58,783	58,783
Total - CFDA 81.XXX			246,899	12,734,919	12,981,818
Inventions and Innovations	81.036			15,375	15,375
State Energy Program	81.041		11,875	44,328	56,203
<i>Pass-Through from State of Louisiana</i>		2000228045		13,102	13,102
Total - CFDA 81.041			11,875	57,430	69,305
Office of Science Financial Assistance Program	81.049		1,977,495	25,528,393	27,505,888
<i>Pass-Through from Accelerator Technology Corporation</i>		M1700877 DE- SC0015933		13,549	13,549
<i>Pass-Through from Amethyst Research, Inc.</i>		UTA15-001196 LTR DTD 9222016		29,253	29,253
<i>Pass-Through from Anasys Instruments</i>		UTA15-00564		1,812	1,812
<i>Pass-Through from Ats - Mer, LLC</i>		9260		39,020	39,020
<i>Pass-Through from Ats - Mer, LLC</i>		GN0007264		60	60
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00121203		(3,408)	(3,408)
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00128976	11,719	(6,459)	5,260
<i>Pass-Through from Calnetix</i>		12-13857		(1,450)	(1,450)
<i>Pass-Through from Colorado State University</i>		G-56991-1		54,610	54,610
<i>Pass-Through from Hj Science and Technology, Inc.</i>		DE-SC0009553-1		716	716
<i>Pass-Through from Kent State University</i>		400005-UH		63,329	63,329
<i>Pass-Through from Los Alamos National Laboratory</i>		430461		45,669	45,669
<i>Pass-Through from Los Alamos National Security, LLC</i>		228868		31,757	31,757
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003744		305,515	305,515
<i>Pass-Through from Mesa Photonics, LLC</i>		UTA16-000259		37,035	37,035
<i>Pass-Through from Ohio State University</i>		60057541		73,791	73,791
<i>Pass-Through from Penn State University</i>		5020-UTA-SU-105B		20,852	20,852
<i>Pass-Through from Pennsylvania State University</i>		5464-UTEP- E-1090		17,284	17,284
<i>Pass-Through from Regents of the University of California</i>		7062952		9,519	9,519
<i>Pass-Through from Regents of the University of California</i>		7079435		5,747	5,747
<i>Pass-Through from Research Foundation of Stony Brook</i>		68856-1119493-3		93,834	93,834
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		10122-42		8,094	8,094
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		11122-07		36,578	36,578
<i>Pass-Through from Shear Form, Inc.</i>		12-0094		2,144	2,144
<i>Pass-Through from Shear Form, Inc.</i>		M1602676		12,116	12,116
<i>Pass-Through from Silicon Audio Labs</i>		UTA16-001022 PHASE II		120,961	120,961

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Energy (continued)					
<i>Pass-Through from Stony Brook University</i>		72115		72,877	72,877
<i>Pass-Through from Temple University</i>		254998- UTEP/PO349693		58,245	58,245
<i>Pass-Through from Trimeric Corporation</i>		UTA16-000732		46,510	46,510
<i>Pass-Through from University of California - Berkeley</i>		00008632		157,473	157,473
<i>Pass-Through from University of California - Riverside</i>		S-000687		90,826	90,826
<i>Pass-Through from University of California - Riverside</i>		S-000687 LOA #1 LI		134,545	134,545
<i>Pass-Through from University of Illinois - Champaign</i>		2014-03595-01		125,193	125,193
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		16197		58,937	58,937
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2013-04789-01		30,118	30,118
<i>Pass-Through from University of Michigan</i>		3001346237		243,545	243,545
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5105060		158,826	158,826
<i>Pass-Through from University of Tennessee</i>		A16-0384- S0028500050608		22,902	22,902
<i>Pass-Through from University of Tennessee - Knoxville</i>		A12-0153-S001		14,192	14,192
<i>Pass-Through from University of Wisconsin</i>		455K674		368,522	368,522
<i>Pass-Through from Ut - Battelle, LLC</i>		4000146387		50,570	50,570
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		429229-19837		6,871	6,871
Total - CFDA 81.049			1,989,214	28,180,473	30,169,687
University Coal Research	81.057		25,605	202,585	228,190
<i>Pass-Through from Washington State University</i>		125794-G003504		58,657	58,657
Total - CFDA 81.057			25,605	261,242	286,847
Regional Biomass Energy Programs	81.079				
<i>Pass-Through from South Dakota State University</i>		3TC676-01		6,744	6,744
<i>Pass-Through from South Dakota State University</i>		3TC676-02		14,660	14,660
<i>Pass-Through from South Dakota State University</i>		3TQ676		3,890	3,890
Total - CFDA 81.079			0	25,294	25,294
Conservation Research and Development	81.086		887,988	1,534,045	2,422,033
<i>Pass-Through from North Carolina State University</i>		2014-0654-70		1,357	1,357
<i>Pass-Through from Penn State University</i>		4944-UTA- E-6447		868	868
Total - CFDA 81.086			887,988	1,536,270	2,424,258
Renewable Energy Research and Development	81.087		795,286	2,072,737	2,868,023
<i>Pass-Through from Abb Corporate Research Center</i>		C5120		36,210	36,210
<i>Pass-Through from American Institute of Chemical Engineers</i>		M1702784		183	183
<i>Pass-Through from Arizona State University</i>		13-185 03 (ADD FUNDS)		69,252	69,252
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA15-000935 DE- EE0006967		23,969	23,969
<i>Pass-Through from Duke University</i>		323-0268	16,399	21,792	38,191
<i>Pass-Through from Los Alamos National Security, LLC</i>		282767		586	586
<i>Pass-Through from Louisiana State University</i>		0000028429		51,115	51,115
<i>Pass-Through from National Renewable Energy Laboratory</i>		8000002242		525	525
<i>Pass-Through from National Renewable Energy Laboratory</i>		8000002481		216,902	216,902
<i>Pass-Through from National Renewable Energy Laboratory</i>		8000002489		95,115	95,115
<i>Pass-Through from National Renewable Energy Laboratory</i>		8000002779		24,020	24,020
<i>Pass-Through from National Renewable Energy Laboratory</i>		DE-AC36-08GO28308		131,176	131,176
<i>Pass-Through from Omnetric Group</i>		NCS-5-42326-01		18,224	18,224
<i>Pass-Through from Sandia National Laboratories</i>		1750431		39,928	39,928
<i>Pass-Through from Smart Manufacturing Leadership Coalition</i>		CESMII-2017-R-01		206,224	206,224

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Energy (continued)					
<i>Pass-Through from Stanford University</i>		60962303-51077		101,412	101,412
<i>Pass-Through from Stanford University</i>		AGR 60516997-51077 REQ 342506		(28)	(28)
<i>Pass-Through from University of Arizona</i>		143187		265,930	265,930
<i>Pass-Through from University of Central Florida</i>		DE-EE0007327		(230)	(230)
<i>Pass-Through from University of Florida</i>		UFDA00011013		19,640	19,640
<i>Pass-Through from University of Illinois - Chicago</i>		DE-EE0005956		64,992	64,992
<i>Pass-Through from Ut - Battelle, LLC</i>		4000147738		155,205	155,205
<i>Pass-Through from Vaisala, Inc.</i>		E-WFIP2-TTU-001		66,259	66,259
Total - CFDA 81.087			811,685	3,681,138	4,492,823
Fossil Energy Research and Development	81.089		911,906	18,619,896	19,531,802
<i>Pass-Through from Battelle</i>		US001-0000509245		3,933	3,933
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00120106		879	879
<i>Pass-Through from Clearview Subsea, LLC</i>		10002-03		1,854	1,854
<i>Pass-Through from Csi Technologies, LLC</i>		11122-42		6,817	6,817
<i>Pass-Through from Florida International University</i>		800005248-01		27,551	27,551
<i>Pass-Through from Gas Technology Institute</i>		S582 1		46,831	46,831
<i>Pass-Through from Gas Technology Institute</i>		S592 EMAIL DTD 21916		93,938	93,938
<i>Pass-Through from Intelligent Optical Systems, Inc.</i>		IOS #3239 E-RICO III		176,815	176,815
<i>Pass-Through from Membrane Technology and Research, Inc.</i>		373- E-FE-13118- UTEXAS		454,234	454,234
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		10121-4501-01		(14,010)	(14,010)
<i>Pass-Through from Southern States Energy Board</i>		SSEB-SECARB3-973- T13BEG-TI-2008-019		314,741	314,741
<i>Pass-Through from University of Illinois - Champaign</i>		2005-05060-37-00 DE- FC26-05NT42588		57,208	57,208
Total - CFDA 81.089			911,906	19,790,687	20,702,593
Environmental Remediation and Waste Processing and Disposal	81.104			97,959	97,959
<i>Pass-Through from Savannah River Nuclear Solutions, LLC</i>		TOA 308479		34,700	34,700
Total - CFDA 81.104			0	132,659	132,659
Epidemiology and Other Health Studies Financial Assistance Program	81.108			49,432	49,432
<i>Pass-Through from Drexel University</i>		23-1352630		108,435	108,435
Total - CFDA 81.108			0	157,867	157,867
Stewardship Science Grant Program	81.112			2,638,571	2,638,571
<i>Pass-Through from Stanford University</i>		60300258-107109-A		38,148	38,148
<i>Pass-Through from Stanford University</i>		61394691-125118		104,124	104,124
<i>Pass-Through from University of Michigan</i>		3003781662		1,222	1,222
Total - CFDA 81.112			0	2,782,065	2,782,065
Defense Nuclear Nonproliferation Research	81.113			314,397	314,397
<i>Pass-Through from University of California - Berkeley</i>		00009331-01 DENA0003180		138,776	138,776
<i>Pass-Through from University of California - Berkeley</i>		BB00154662/00008127		43,089	43,089
Total - CFDA 81.113			0	496,262	496,262

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Energy (continued)					
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		158,108	734,616	892,724
<i>Pass-Through from Ut - Battelle, LLC</i>		4000142556		32,422	32,422
Total - CFDA 81.117			158,108	767,038	925,146
Nuclear Energy Research, Development and Demonstration	81.121		740,112	3,455,959	4,196,071
<i>Pass-Through from Areva Federal Services, LLC</i>		15C3011928		90,310	90,310
<i>Pass-Through from Areva Federal Services, LLC</i>		15C3012763		42,802	42,802
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00124695		(377)	(377)
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00128931	60,017	(18)	59,999
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		0162345		129,144	129,144
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		0162742		61,267	61,267
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		0164318		83,823	83,823
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		0164379		29,023	29,023
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		156135		84,274	84,274
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		157406		4,664	4,664
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		166508		39,898	39,898
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		171587		128,503	128,503
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		185480		40,651	40,651
<i>Pass-Through from Boise State University</i>		6298-C		25,410	25,410
<i>Pass-Through from Boise State University</i>		7161-B		34,742	34,742
<i>Pass-Through from Georgia Institute of Technology</i>		RF764-G3		14,559	14,559
<i>Pass-Through from Georgia Institute of Technology</i>		RF764-G4		107,357	107,357
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B613258		(259)	(259)
<i>Pass-Through from Los Alamos National Security, LLC</i>		345255		37,428	37,428
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003981		114,153	114,153
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000105055		111,082	111,082
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000114530		(52)	(52)
<i>Pass-Through from Rutgers University</i>		0019		27,482	27,482
<i>Pass-Through from Stony Brook University</i>		DE-NE0000747		87,886	87,886
<i>Pass-Through from Syracuse University</i>		28643-04465-S01		22,083	22,083
<i>Pass-Through from Uchicago Argonne, LLC</i>		4F-31621		(150)	(150)
<i>Pass-Through from Uchicago Argonne, LLC</i>		5F-32301		99,829	99,829
<i>Pass-Through from Uchicago Argonne, LLC</i>		5F-32562		53,632	53,632
<i>Pass-Through from Ultra Safe Nuclear Corp</i>		M1701196		79,999	79,999
<i>Pass-Through from University of Arkansas</i>		SA1510070		121,791	121,791
<i>Pass-Through from University of Massachusetts - Lowell</i>		S51900000033766		45,893	45,893
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-1217-0014-004		146,978	146,978
<i>Pass-Through from Utah State University</i>		200649-293		97,392	97,392
<i>Pass-Through from Utah State University</i>		200658-340		121,929	121,929
<i>Pass-Through from Virginia Polytechnic Institute</i>		429364-19C28		92,805	92,805
Total - CFDA 81.121			800,129	5,631,892	6,432,021
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122		129,827	337,801	467,628
<i>Pass-Through from University of Chicago - Argonne National Laboratory</i>		4F-30201		2,240	2,240
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		079456-16208		951	951
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2015-06608-03		217,917	217,917
Total - CFDA 81.122			129,827	558,909	688,736
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123			(15)	(15)

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Energy (continued)					
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		004655 C-4537		116,264	116,264
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		C-4342		207,244	207,244
<i>Pass-Through from Universidad Del Turabo</i>		2016T-04		72,096	72,096
Total - CFDA 81.123			0	395,589	395,589
Predictive Science Academic Alliance Program	81.124		211,724	1,924,014	2,135,738
<i>Pass-Through from Stanford University</i>		60544212-107908		108,323	108,323
Total - CFDA 81.124			211,724	2,032,337	2,244,061
ARRA - Expand and Extend Clean Coal Power Initiative	81.131				
<i>Pass-Through from Petra Nova Parish Holdings, LLC</i>		UTA15-000294 PO 4501616882		209,983	209,983
<i>Pass-Through from Petra Nova Parish Holdings, LLC</i>		UTA15- 0002944501616882 PH		390,063	390,063
Total - CFDA 81.131			0	600,046	600,046
Advanced Research Projects Agency - Energy	81.135		2,454,211	1,797,141	4,251,352
<i>Pass-Through from Ceramatec, Inc.</i>		UTA14-000129		121,887	121,887
<i>Pass-Through from Donald Danforth Plant Science Center</i>		22815-T		89,271	89,271
<i>Pass-Through from Iowa State University</i>		1261-4010		271,663	271,663
<i>Pass-Through from Metropia, Inc.</i>		M1601675		63,591	63,591
<i>Pass-Through from Physical Sciences, Inc.</i>		SC67187-1867		40,651	40,651
<i>Pass-Through from Research Foundation for the State University of New York</i>		72540-DE-AR0000575		14,901	14,901
<i>Pass-Through from Sharp Laboratories of America, Inc.</i>		UTA13-000404		(4,349)	(4,349)
<i>Pass-Through from Superpower, Inc.</i>		107379		10,272	10,272
<i>Pass-Through from University of Cincinnati</i>		009725-007		96,453	96,453
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		082394-16156		41,980	41,980
<i>Pass-Through from University of Maryland</i>		36132-Z7211003		73,821	73,821
<i>Pass-Through from University of South Carolina</i>		15-2798 PO#2000030134		55,926	55,926
<i>Pass-Through from Ut - Battelle, LLC</i>		4000123096		442,682	442,682
Total - CFDA 81.135			2,454,211	3,115,890	5,570,101
Total - U.S. Department of Energy			8,639,171	82,953,382	91,592,553
U.S. Department of Education					
U.S. Department of Education	84.XXX				
<i>Pass-Through from Los Alamos National Laboratory</i>		318613 001		45,316	45,316
Adult Education - Basic Grants to States	84.002			85,349	85,349
Title I Grants to Local Educational Agencies	84.010			5,974	5,974
Migrant Education State Grant Program	84.011			262	262
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013			11	11
Overseas Programs - Doctoral Dissertation Research Abroad	84.022			15,445	15,445
Special Education Grants to States	84.027			37,371	37,371
Higher Education Institutional Aid	84.031		68,052	3,163,160	3,231,212

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Education (continued)					
<i>Pass-Through from Alvin Community College</i>		P031C160219		50,000	50,000
<i>Pass-Through from Amarillo College</i>		P031C1602044		50,000	50,000
Total - CFDA 84.031			68,052	3,263,160	3,331,212
Career and Technical Education -- Basic Grants to States	84.048			55,869	55,869
Fund for the Improvement of Postsecondary Education	84.116			824,547	824,547
<i>Pass-Through from University System of Maryland</i>		P116F150201-2016-6		3,199	3,199
<i>Pass-Through from University System of Maryland</i>		P116F150201-2016-6 01		6,571	6,571
Total - CFDA 84.116			0	834,317	834,317
Minority Science and Engineering Improvement	84.120		46,532	1,040,956	1,087,488
National Institute on Disability and Rehabilitation Research	84.133			433,273	433,273
<i>Pass-Through from Baylor College of Medicine</i>		101748025-2		(19,891)	(19,891)
<i>Pass-Through from Langston University</i>		H133B130023		24,422	24,422
Total - CFDA 84.133			0	437,804	437,804
Graduate Assistance in Areas of National Need	84.200			(3,543)	(3,543)
<i>Pass-Through from American Institutes for Research</i>		R305C120008		292,342	292,342
Total - CFDA 84.200			0	288,799	288,799
Fund for the Improvement of Education	84.215		536,946	3,341,462	3,878,408
TRIO McNair Post-Baccalaureate Achievement	84.217			954,195	954,195
Centers for International Business Education	84.220			240,574	240,574
Twenty-First Century Community Learning Centers	84.287			968	968
Education Research, Development and Dissemination	84.305		1,630,726	9,213,377	10,844,103
<i>Pass-Through from American Institutes for Research</i>		R305A150587		117,964	117,964
<i>Pass-Through from Georgia State University</i>		SP00010952		40,586	40,586
<i>Pass-Through from Harvard University</i>		108129-5076576		41,650	41,650
<i>Pass-Through from University of Leuven</i>		R305D150007-01		213	213
<i>Pass-Through from University of Leuven</i>		R305D150007-16-01		82,603	82,603
<i>Pass-Through from University of Michigan</i>		R305A140363-16		157,199	157,199
<i>Pass-Through from University of Oregon</i>		224640B		44,372	44,372
<i>Pass-Through from Utah State University</i>		201035-434		27,091	27,091
Total - CFDA 84.305			1,630,726	9,725,055	11,355,781
Research in Special Education	84.324		276,913	3,111,870	3,388,783
<i>Pass-Through from San Francisco State University</i>		S15-0003		80,974	80,974
<i>Pass-Through from The Curators of The University of Missouri</i>		R324A120027		(7,849)	(7,849)
<i>Pass-Through from University of California - Davis</i>		# 201500254-01		452,057	452,057
<i>Pass-Through from University of California - Riverside</i>		S-000854		156,885	156,885
<i>Pass-Through from University of Kansas Center for Research, Inc.</i>		FY2014-045-M2		(13,747)	(13,747)
<i>Pass-Through from University of Oregon</i>		224380C		33,178	33,178
<i>Pass-Through from University of Oregon</i>		224740C		14,683	14,683
<i>Pass-Through from University of Oregon</i>		224770B		11,587	11,587
Total - CFDA 84.324			276,913	3,839,638	4,116,551

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Education (continued)					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities <i>Pass-Through from University of Florida</i>	84.325		6,609	700,540	707,149
		UFDSP00010565 3 (WEXT)		88,292	88,292
Total - CFDA 84.325			6,609	788,832	795,441
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities <i>Pass-Through from California State University</i>	84.326		288,301	2,422,397	2,710,698
		F-11-2963-3-UTA 3 (WEXT)		134,635	134,635
<i>Pass-Through from California State University - Northridge</i>		F-11-2963-3 UTA		73,844	73,844
<i>Pass-Through from University of Oregon</i>		224720A		26,469	26,469
Total - CFDA 84.326			288,301	2,657,345	2,945,646
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334			966,879	966,879
Teacher Quality Partnership Grants	84.336			187,946	187,946
Transition to Teaching <i>Pass-Through from University of Louisiana - Monroe</i>	84.350	SVK010-TAMUK-00		52,720	52,720
Rural Education	84.358			159	159
English Language Acquisition State Grants	84.365		35,464	1,261,760	1,297,224
Mathematics and Science Partnerships	84.366			268,973	268,973
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367			468,548	468,548
Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments)	84.368			1,216,413	1,216,413
School Improvement Grants <i>Pass-Through from Premont Independent School District</i>	84.377	16-0601		434	434
<i>Pass-Through from San Antonio Independent School District</i>		#15-036 (AT)		120,607	120,607
<i>Pass-Through from San Antonio Independent School District</i>		15-037 (AT)		325,162	325,162
				279,674	279,674
Total - CFDA 84.377			0	725,877	725,877
Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	84.411		453,094	2,731,383	3,184,477
Graduate Research Opportunities for Minority Students (Minorities and Retirement Security Program)	84.414			106,859	106,859
Total - U.S. Department of Education			3,342,637	35,646,219	38,988,856
U.S. Department of Health and Human Services					
U.S. Department of Health and Human Services	93.XXX	12114813		56,303	56,303
		160584/160583		29,545	29,545
		1R01MH112927-01A1		31,474	31,474
		1R43CA193087-01		28,116	28,116
		200-2009-32594		879,617	879,617

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
		200-2011-41271		419,256	419,256
		200-2014-M-59937		21,716	21,716
		200-2015-M-63768		45,318	45,318
		464 571 00		353,759	353,759
		90DP0045-02-01		(8,788)	(8,788)
		HDTRA117C0009	28,503	415,139	443,642
		HHSF223201110109A	44,182	(8,464)	35,718
		HSH250201000011C/ 00		3,402,150	3,402,150
		HHSN2612010000321 01		(72,950)	(72,950)
		HHSN2612012000034I	2,066	975,342	977,408
		HHSN261201200034I	33,631	182,898	216,529
		HHSN261201500018I		399,332	399,332
		HHSN263201600013I		676,986	676,986
		HHSN268200900039C	162,934	1,062,942	1,225,876
		HHSN268201200019C		193,955	193,955
		HHSN271201600057C		122,702	122,702
		HHSN272200800048C		(109)	(109)
		HHSN272201000038I	691,496	1,109,136	1,800,632
		HHSN272201000040I		109,794	109,794
		HHSN272201000040I		3,225,372	3,225,372
		HHSN272201100018I	95,346	257,346	352,692
		HHSN275201300018I		2,712	2,712
		HHSN276201500585P		3,205	3,205
		HHSN276201500690P		52,686	52,686
		HHSP233201650129A		33,992	33,992
		N01 CM-2011-00039 01		85,561	85,561
		N01 CM-62202 09		(645)	(645)
		N01-CN-035159 07		(1,323)	(1,323)
		N01DA-13-8908		835,018	835,018
		NSF 2017242171		11,943	11,943
		NSF 2017247469		11,937	11,937
		P400369		28	28
		RN7054-2014-0383		405	405
		UL1TR001105NCE		979	979
<i>Pass-Through from 2m Research Services, LLC</i>		002-2015-62568		85,000	85,000
<i>Pass-Through from American Institutes for Research</i>		1205 03029 002		1,387	1,387
<i>Pass-Through from American Type Culture Collection</i>		2 01005E+11		(599)	(599)
<i>Pass-Through from American Type Culture Collection</i>		HHSN272201000027C		23,005	23,005
<i>Pass-Through from American Type Culture Collection</i>		HHSN272201600013C		558,414	558,414
<i>Pass-Through from Arcos, Inc.</i>		W81XWH16C0179		9,089	9,089
<i>Pass-Through from Atox Bio, Ltd.</i>		HHSO1002014000013C		1,198	1,198
<i>Pass-Through from Augusta University</i>		464 571 00		13,137	13,137
<i>Pass-Through from Battelle Memorial Institute</i>		HHSN272201200003		775,563	775,563
<i>Pass-Through from Baylor College of Medicine</i>		HHSA-290201500002C		149,883	149,883
<i>Pass-Through from Baylor College of Medicine</i>		N01-AI-80002		5,402	5,402
<i>Pass-Through from Baylor Research Institute</i>		5R01NS094124- 02/UNI-251972-01		30,868	30,868
<i>Pass-Through from Baylor Research Institute</i>		90DP0045-02-01		37,271	37,271
<i>Pass-Through from Cfd Research Corporation</i>		W81XWH15C0148		3,989	3,989
<i>Pass-Through from Children's Hospital of Philadelphia</i>		962360 - R		17,797	17,797
<i>Pass-Through from Children's Hospital of Philadelphia</i>		BIQSFP-AALL1131 11XS		3,028	3,028

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Chrysalis Biotechnology, Inc.</i>		HHSN261201300076C		(19,439)	(19,439)
<i>Pass-Through from Chrysalis Biotherapeutics, Inc.</i>		UTA15-000973		4,302	4,302
<i>Pass-Through from Duke Clinical Research Institute</i>		5926-01 CEMPR		5,124	5,124
		SOLI PHANE 2/3			
<i>Pass-Through from Duke University</i>		1R01HL133618-01		90,930	90,930
<i>Pass-Through from Duke University</i>		HHSN- 2752010000031		2,945	2,945
<i>Pass-Through from Duke University</i>		HHSN2752010000031		31,536	31,536
<i>Pass-Through from Duke University</i>		R01HL105448		79,244	79,244
<i>Pass-Through from Duke University Medical Center</i>		HHSN272200900023C		363,590	363,590
<i>Pass-Through from Duke University Medical Center</i>		HHSN272201100		1,500	1,500
<i>Pass-Through from Duke University Medical Center</i>		HHSN272201100025C		437	437
<i>Pass-Through from Duke University Medical Center</i>		N01-AI-05419 04		3,854	3,854
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		15X079CBPF		131,947	131,947
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		ECOGEAY131		83,156	83,156
<i>Pass-Through from Emmes Corporation</i>		HHSN263201700001C		136,506	136,506
<i>Pass-Through from Evorx Technologies, Inc.</i>		HHSN2612015000072C		10,438	10,438
<i>Pass-Through from Georgia State University</i>		HDTRA11710005		39,103	39,103
<i>Pass-Through from Hispanic Association of Colleges and Universities</i>		13127225		9,412	9,412
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN276201100007C		8,425	8,425
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN-276-2011-00007C		(100)	(100)
<i>Pass-Through from Houston Pharmaceuticals, Inc.</i>		HHSN261201600018C		52,812	52,812
<i>Pass-Through from Icf Consulting Group, Inc.</i>		OPA0005431		92	92
<i>Pass-Through from Intelligent Automation, Inc.</i>		2254-		8,153	8,153
		2/HHSN261201600025			
<i>Pass-Through from J. Craig Venter Institute</i>		HHSN272201400028C		13,555	13,555
<i>Pass-Through from Kansas State University</i>		S13027		34,233	34,233
<i>Pass-Through from La Jolla Institute for Allergy and Immunology</i>		25059-10-384		5,040	5,040
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		14X082 T3		5,735,674	5,735,674
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		14X082ST1		(21,398)	(21,398)
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		14X082T2		(284,658)	(284,658)
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		15X073		(859)	(859)
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		HHSN261200800001E		208,710	208,710
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		HHSN2612015000031		102,058	102,058
<i>Pass-Through from Leidos, Inc.</i>		12XS348/HHSN26120080		13,031	13,031
<i>Pass-Through from Leidos, Inc.</i>		15X219		307,535	307,535
<i>Pass-Through from Massachusetts General Hospital</i>		HHN2712011000061		111,554	111,554
<i>Pass-Through from Mathematica Policy Research</i>		HHSP2332015000351		27,765	27,765
<i>Pass-Through from North American Association of Central Cancer Registries</i>		2014-07-01 M1402930		53,006	53,006
<i>Pass-Through from Northwestern University</i>		60033872-UTX/HHSN275		1,440	1,440
<i>Pass-Through from Northwestern University</i>		HHSN272201200026C		(63)	(63)
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-000610		38,244	38,244
<i>Pass-Through from Physical Sciences, Inc.</i>		HHSN261201400006		(1,301)	(1,301)
<i>Pass-Through from Physical Sciences, Inc.</i>		HHSN261201400060C		14,626	14,626
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG-0825 01		(16,756)	(16,756)
<i>Pass-Through from Radikal Therapeutics Incorporated</i>		HHSO100201600016C		26,197	26,197
<i>Pass-Through from Radiological Society of North America</i>		HHSN268201500021C		23,465	23,465

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Radiological Society of North America</i>		HHSN268201500021C Q		785	785
<i>Pass-Through from Radix Biosolutions, Ltd.</i>		HHSN272201500031C		87,093	87,093
<i>Pass-Through from Resource Group</i>		17UTV00SSR		35,659	35,659
<i>Pass-Through from Rti International</i>		60-312-0210637- 52607L		(1,106)	(1,106)
<i>Pass-Through from Saic - Frederick, Inc.</i>		13XS034-T02		(1,041)	(1,041)
<i>Pass-Through from Social and Scientific Systems, Inc.</i>		HHSN2612014000101		4,592	4,592
<i>Pass-Through from Social and Scientific Systems, Inc.</i>		HHSN61201400010		172,399	172,399
<i>Pass-Through from Sra International, Inc.</i>		UTA17-000365		20,703	20,703
<i>Pass-Through from St. Jude Children's Research Hospital</i>		112085040-7757034		3,432	3,432
<i>Pass-Through from St. Jude Children's Research Hospital</i>		PO 112262020-7698326		136,640	136,640
<i>Pass-Through from Swog Clinical Trials, LLC</i>		5 U10 CA105409		289	289
<i>Pass-Through from Techwave International, Inc.</i>		HHSN272201700019C		827	827
<i>Pass-Through from University of Alabama - Birmingham</i>		5U01HL12033802		57,680	57,680
<i>Pass-Through from University of Alabama - Birmingham</i>		HHSN268201100025C		334	334
<i>Pass-Through from University of California - Los Angeles</i>		2000-S-KT145		(1,472)	(1,472)
<i>Pass-Through from University of Colorado - Denver</i>		FY17 523		18,260	18,260
<i>Pass-Through from University of Florida</i>		001/HHSP23320150			
<i>Pass-Through from University of Minnesota</i>		HSHQDC16CB0012		83,162	83,162
<i>Pass-Through from University of New Mexico</i>		P005296401		88,260	88,260
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		136442		3	3
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5102905		585	585
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		HHSN268201700001		191,577	191,577
<i>Pass-Through from University of Pittsburgh</i>		5U01NS081041-04		84,745	84,745
<i>Pass-Through from University of South Alabama</i>		HDTRA11400023		90,629	90,629
<i>Pass-Through from University of South Carolina</i>		16-2919/PO2000006613		34,324	34,324
<i>Pass-Through from University of South Florida</i>		18677		5,352	5,352
<i>Pass-Through from University of Utah</i>		HHSN268200900046C		48,742	48,742
<i>Pass-Through from University of Wisconsin</i>		630K103		44,177	44,177
<i>Pass-Through from University of Wisconsin - Madison</i>		17-8524		124	124
<i>Pass-Through from University of Wisconsin - Madison</i>		5UM1A111427-02		(16,065)	(16,065)
<i>Pass-Through from Urban Strategies</i>		107836		(3,004)	(3,004)
<i>Pass-Through from Utah State University</i>		HHSN272201100019I		94,733	94,733
<i>Pass-Through from Veterans Affairs Medical Center of Washington Dc</i>		15FED1511233-0002- 0001	140,220	261,810	402,030
<i>Pass-Through from Wyle Laboratories</i>		NCC95860		14,442	14,442
Total - CFDA 93.XXX			1,198,378	25,652,552	26,850,930
Cooperative Agreements to Improve the Health Status of Minority Populations	93.004			36,658	36,658
Medical Reserve Corps Small Grant Program	93.008				
<i>Pass-Through from National Association of County and City Health Officials</i>		MRC-16-2631		7,962	7,962
Laboratory Training, Evaluation, and Quality Assurance Programs	93.064			82,586	82,586
Global AIDS	93.067				
<i>Pass-Through from University of Washington</i>		5U2GSP00204705		30,194	30,194
<i>Pass-Through from University of Washington</i>		INU2GGH00195601		4,050	4,050
<i>Pass-Through from University of Washington</i>		U2GGH00195601		22,091	22,091
Total - CFDA 93.067			0	56,335	56,335
Public Health Emergency Preparedness	93.069			(58,147)	(58,147)

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073		6,740	280,376	287,116
<i>Pass-Through from Massachusetts Department of Public Health</i>		INTF3122J25W401380 34 4		7,317	7,317
Total - CFDA 93.073			6,740	287,693	294,433
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		362,921	4,320,032	4,682,953
<i>Pass-Through from University of Minnesota</i>		5 U54 DA031659 05		171,002	171,002
<i>Pass-Through from University of Pittsburgh</i>		3U54DA031659-03		(125)	(125)
Total - CFDA 93.077			362,921	4,490,909	4,853,830
Blood Disorder Program: Prevention, Surveillance, and Research	93.080			30,899	30,899
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084		73,660	524,966	598,626
<i>Pass-Through from Lynntech, Inc.</i>		M1600192		(1,758)	(1,758)
Total - CFDA 93.084			73,660	523,208	596,868
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086			983,306	983,306
<i>Pass-Through from Avance, Inc.</i>		110561		105,792	105,792
<i>Pass-Through from Avance, Inc.</i>		113041		275,015	275,015
<i>Pass-Through from Rutgers University</i>		6096		10,269	10,269
Total - CFDA 93.086			0	1,374,382	1,374,382
Advancing System Improvements for Key Issues in Women's Health	93.088			660,425	660,425
<i>Pass-Through from University of Miami</i>		AC 69434	14,215	44,924	59,139
Total - CFDA 93.088			14,215	705,349	719,564
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092		112,533	137,086	249,619
<i>Pass-Through from Inter Tribal Council of Arizona, Inc.</i>		UTSPH-16-00 90AT0013-05		12,339	12,339
<i>Pass-Through from Inter Tribal Council of Arizona, Inc.</i>		UTSPH-16-01 90AT0013-05-00		6,156	6,156
Total - CFDA 93.092			112,533	155,581	268,114
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093				
<i>Pass-Through from Community Action Project of Tulsa County, Inc.</i>		UTA16-000027		47,653	47,653
Food and Drug Administration Research	93.103		20,034	1,751,328	1,771,362
<i>Pass-Through from Association of Food and Drug Officials</i>		G-1612-00263		19,800	19,800
<i>Pass-Through from Colorado State University</i>		G-01479-1		45,139	45,139
<i>Pass-Through from National Institute for Pharmaceutical Technology and Education (nipte)</i>		NIPTE-U01-TX-2017-001		27,095	27,095
<i>Pass-Through from University of Kansas Medical Center</i>		1R01FD003739-01A3		71	71
Total - CFDA 93.103			20,034	1,843,433	1,863,467

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) <i>Pass-Through from Heart of Texas Region Mhmr</i>	93.104	UTA16-001001		96,743	96,743
Area Health Education Centers	93.107			90,033	90,033
Maternal and Child Health Federal Consolidated Programs <i>Pass-Through from Baylor University</i> <i>Pass-Through from University of North Carolina - Chapel Hill</i>	93.110	P379T092327 5105337	67,803	745,056 69,948 44,965	812,859 69,948 44,965
Total - CFDA 93.110			67,803	859,969	927,772
Environmental Health <i>Pass-Through from Baylor College of Medicine</i> <i>Pass-Through from Biotex, Inc.</i> <i>Pass-Through from Creative Scientists, Inc.</i> <i>Pass-Through from Icahn School of Medicine - Mount Sinai</i> <i>Pass-Through from Indiana University</i> <i>Pass-Through from Michigan State University</i> <i>Pass-Through from Radikal Therapeutics Incorporated</i> <i>Pass-Through from University of Alabama - Birmingham</i>	93.113	7 R01 ES023206-05 M1601559 UT-001-2017 5R01ES02145205 BL-4645504-UTEP 5 R01 ES017777 03 5U01ES02409702 000350461- 004/5U01ES	831,696	9,408,426 40,751 311,503 17,713 215,369 (1,568) (21,558) 260,471 (19)	10,240,122 40,751 311,503 17,713 215,369 (1,568) (21,558) 260,471 (19)
<i>Pass-Through from University of Colorado</i> <i>Pass-Through from University of New Mexico</i> <i>Pass-Through from University of New Mexico Health Science Center</i> <i>Pass-Through from University of North Carolina</i> <i>Pass-Through from University of North Carolina</i> <i>Pass-Through from Winthrop University</i>		84-6000555 3RT23 3RBB7 5034647 5104742 5R01ES02311605		64,667 59,653 10,599 (1,902) 117,744 9,829	64,667 59,653 10,599 (1,902) 117,744 9,829
Total - CFDA 93.113			831,696	10,491,678	11,323,374
Oral Diseases and Disorders Research <i>Pass-Through from Baylor College of Medicine</i> <i>Pass-Through from Harvard Medical School</i> <i>Pass-Through from Loma Linda University</i> <i>Pass-Through from Massachusetts Institute of Technology</i> <i>Pass-Through from New York University</i> <i>Pass-Through from Primus Consulting</i> <i>Pass-Through from Texas Biomedical Research Institute</i> <i>Pass-Through from University of Alabama - Birmingham</i>	93.121	7R01DE024179-03 5 R01 DE022772 04 5R01DE02585202 1R01DE024747-01A1 1R34DE023264-01A1 130110 41378 000412838- 005/1U19DE	2,179,922	13,015,973 7,014 52,214 55,480 1,349 (105) 477 85,126 695,480	15,195,895 7,014 52,214 55,480 1,349 (105) 477 85,126 695,480
<i>Pass-Through from University of California - Davis</i> <i>Pass-Through from University of California - Los Angeles</i> <i>Pass-Through from University of California - San Francisco</i> <i>Pass-Through from University of California - San Francisco</i> <i>Pass-Through from University of Massachusetts - Lowell</i> <i>Pass-Through from University of Massachusetts - Lowell</i> <i>Pass-Through from University of New Mexico</i> <i>Pass-Through from University of Utah</i> <i>Pass-Through from William Marsh Rice University</i>		5R01DE015038-09 5 U01 DE017593 09 5UH2DE025504-02 7R01DE023061-05 R01DE021084 S51110000022697 3R01DE023222-03S1 R01 DE023414 02 1R34DE025593-01 R7K081		34,156 10,526 20,196 110,762 (11,313) 81,605 4,666 77,069 1,003	34,156 10,526 20,196 110,762 (11,313) 81,605 4,666 77,069 1,003
Total - CFDA 93.121			2,179,922	14,241,678	16,421,600
Emergency Medical Services for Children <i>Pass-Through from Baylor College of Medicine</i> <i>Pass-Through from Baylor College of Medicine</i>	93.127	1H34MC193470100 5H33MC11305-09		22,488 11,866	22,488 11,866

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Baylor College of Medicine</i>		5H34MC19347-03-00		8,202	8,202
<i>Pass-Through from Baylor College of Medicine</i>		5H34MC26199-03		(12,387)	(12,387)
<i>Pass-Through from Baylor College of Medicine</i>		U07MC29829PO 7000000157		45,708	45,708
<i>Pass-Through from Medical College of Wisconsin</i>		6H34MC26201-04-01		14,929	14,929
Total - CFDA 93.127			0	90,806	90,806
Grants to Increase Organ Donations	93.134				
<i>Pass-Through from Rutgers University</i>		R38OT26376-01-02		339	339
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135		597,678	354,290	951,968
<i>Pass-Through from University of Arizona</i>		5U48DP005002-03 238879		77,191	77,191
<i>Pass-Through from University of North Carolina</i>		1U48DP005017		8,048	8,048
Total - CFDA 93.135			597,678	439,529	1,037,207
Injury Prevention and Control Research and State and Community Based Programs	93.136			325,464	325,464
<i>Pass-Through from City of Houston Health and Human Services</i>		NH28CE002395-01-00		44,324	44,324
<i>Pass-Through from University of Utah</i>		10037451-01 / 5U01CE022188-05		221,294	221,294
Total - CFDA 93.136			0	591,082	591,082
NIEHS Hazardous Waste Worker Health and Safety Training	93.142		380,704	267,687	648,391
NIEHS Superfund Hazardous Substances _Basic Research and Education	93.143			14,566	14,566
<i>Pass-Through from Michigan State University</i>		P42ES004911		113,765	113,765
<i>Pass-Through from University of North Carolina</i>		5100277		127,131	127,131
Total - CFDA 93.143			0	255,462	255,462
HIV-Related Training and Technical Assistance	93.145			(2,567)	(2,567)
<i>Pass-Through from Dallas County Hospital District</i>		FY2016-5859		34,638	34,638
<i>Pass-Through from Parkland Health and Hospital Systems</i>		75-6004221		4,427	4,427
Total - CFDA 93.145			0	36,498	36,498
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153			567,900	567,900
<i>Pass-Through from Resource Group</i>		16UTV00RWD		4,861	4,861
Total - CFDA 93.153			0	572,761	572,761
Rural Health Research Centers	93.155			563,522	563,522
Centers of Excellence	93.157			554,065	554,065
Human Genome Research	93.172		6,180	345,451	351,631
<i>Pass-Through from Baylor College of Medicine</i>		1 R01 HG008972 01		182,714	182,714
<i>Pass-Through from Baylor College of Medicine</i>		5R01HG008115-03		170,871	170,871
<i>Pass-Through from Baylor College of Medicine</i>		5U01HG008664-02		105,795	105,795
<i>Pass-Through from Baylor College of Medicine</i>		5U54HG003273-12		3,680	3,680
<i>Pass-Through from Baylor College of Medicine</i>		5U54HG003273-12S2		106,697	106,697
<i>Pass-Through from Baylor College of Medicine</i>		5UM1HG008898-02		456,688	456,688

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U41 HG007497 03		164,750	164,750
<i>Pass-Through from Johns Hopkins University</i>		1RM1HG008529-01A1		313,573	313,573
<i>Pass-Through from Johns Hopkins University</i>		5UM1HG006542-06 / 2002858055		81,069	81,069
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		4U01HG007416-04		113,396	113,396
<i>Pass-Through from University of Southern California</i>		159433/R01HG006015		223,406	223,406
<i>Pass-Through from University of Washington</i>		UWSC6544		15,357	15,357
<i>Pass-Through from Vanderbilt University Medical Center</i>		2R01HG008644-06		34,411	34,411
<i>Pass-Through from Xigen, LLC</i>		PA-11-335		(1,632)	(1,632)
Total - CFDA 93.172			6,180	2,316,226	2,322,406
Research Related to Deafness and Communication Disorders	93.173		470,973	7,856,473	8,327,446
<i>Pass-Through from Baylor College of Medicine</i>		1R01DC014976-01		15,463	15,463
<i>Pass-Through from Baylor College of Medicine</i>		1R01DC01500401		2,897	2,897
<i>Pass-Through from Baylor College of Medicine</i>		700000194		4,683	4,683
<i>Pass-Through from Boston University</i>		4500002128		99,496	99,496
<i>Pass-Through from Boston University</i>		4500002372 001 (WEXT-NEW)		30,656	30,656
<i>Pass-Through from Duke University</i>		1U24DC012206		6,358	6,358
<i>Pass-Through from Duke University Medical Center</i>		4R33DC00863202		58,757	58,757
<i>Pass-Through from Mgh Institute of Health Professions</i>		1R01DC13547-01		32,998	32,998
<i>Pass-Through from Nationwide Children's Hospital</i>		719115		333	333
<i>Pass-Through from Northwestern University</i>		3R01DC006243		(3)	(3)
<i>Pass-Through from Northwestern University</i>		R33DC013115		65,398	65,398
<i>Pass-Through from Northwestern University</i>		SP0003688/DC006243		7,912	7,912
<i>Pass-Through from Research Foundation for the State University of New York</i>		180-1119252-68875		29,237	29,237
<i>Pass-Through from Silicon Audio Labs</i>		UTA15-000768		120,685	120,685
<i>Pass-Through from Stanford University</i>		60992239-111916		206,727	206,727
<i>Pass-Through from Stanford University</i>		60992240-116269		9,439	9,439
<i>Pass-Through from University of Colorado - Denver</i>		5R01DC01500403		66,202	66,202
<i>Pass-Through from University of Southern California</i>		5R01DC004797-13		118,103	118,103
<i>Pass-Through from University of Wisconsin - Madison</i>		R01DC000496		95,252	95,252
<i>Pass-Through from Vulintus, LLC</i>		R44DC013467		123,212	123,212
<i>Pass-Through from Washington University - St. Louis</i>		1R01DC012778-01A1		49,567	49,567
<i>Pass-Through from Wayne State University</i>		1R03DC015329-01		5,404	5,404
Total - CFDA 93.173			470,973	9,005,249	9,476,222
Nursing Workforce Diversity	93.178			17,119	17,119
Research and Training in Complementary and Integrative Health	93.213		316,777	2,669,254	2,986,031
<i>Pass-Through from Mount Sinai School of Medicine</i>		0254-3811-4609		118,590	118,590
<i>Pass-Through from University of Colorado</i>		1R01AT009366-01		53,648	53,648
Total - CFDA 93.213			316,777	2,841,492	3,158,269
Research on Healthcare Costs, Quality and Outcomes	93.226		725,022	4,215,395	4,940,417
<i>Pass-Through from Michael E. DeBakey Veterans Affairs Medical Center</i>		XVA 33-149		30,638	30,638
<i>Pass-Through from National Cancer Institute</i>		5 R24 HS022134-05		9,249	9,249
<i>Pass-Through from Northwestern University</i>		4 R01 HS020263 05		35,908	35,908
<i>Pass-Through from Oregon Health Sciences University</i>		5R01HS023940-02		200,942	200,942
<i>Pass-Through from Rand Corporation</i>		R03HS022944		247	247
<i>Pass-Through from University of California - Berkeley</i>		000088565R01HS0220 98-02PO BB00597065		22,759	22,759

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5105485		13,160	13,160
<i>Pass-Through from University of Tennessee Health Science Center</i>		HS023783-01UTA		15,204	15,204
Total - CFDA 93.226			725,022	4,543,502	5,268,524
National Center on Sleep Disorders Research	93.233			1,542,746	1,542,746
Policy Research and Evaluation Grants	93.239				
<i>Pass-Through from Regents of the University of California</i>		201120402-19	15,884	14,686	30,570
Mental Health Research Grants	93.242		1,822,894	22,854,539	24,677,433
<i>Pass-Through from American Psychological Association</i>		R25MH83635		2,850	2,850
<i>Pass-Through from Biomedical Development Corporation</i>		STTR/R41MH091997		(18)	(18)
<i>Pass-Through from Biomedical Development Corporation</i>		STTR/R42MH091997		207,600	207,600
<i>Pass-Through from Centre for Addiction and Mental Health</i>		1R21MH11084601		13,749	13,749
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5R01MH09253501		(126)	(126)
<i>Pass-Through from Cold Spring Harbor Laboratory</i>		1R01MH102616-01		93,502	93,502
<i>Pass-Through from Cold Spring Harbor Laboratory</i>		1R01MH109665-01		40,102	40,102
<i>Pass-Through from Columbia University</i>		08-RMH104606A		48,533	48,533
<i>Pass-Through from Emory University</i>		T668362		94,122	94,122
<i>Pass-Through from Georgia Institute of Technology</i>		1R01MH103517-01A1		177,714	177,714
<i>Pass-Through from Gradient Biomodeling, LLC</i>		1R43MH101892-01		(416)	(416)
<i>Pass-Through from Johns Hopkins University</i>		7R01MH084021-07		77,213	77,213
<i>Pass-Through from Johns Hopkins University</i>		R01MH084021		3,562	3,562
<i>Pass-Through from Microbrightfield, Inc.</i>		R44MH105091		29,414	29,414
<i>Pass-Through from Microtransponder, Inc.</i>		1R43MH105014-01A1		69,036	69,036
<i>Pass-Through from Mount Sinai School of Medicine</i>		2P50NH096890-06		61,793	61,793
<i>Pass-Through from Mount Sinai School of Medicine</i>		4P50MH09689005		104,439	104,439
<i>Pass-Through from Mount Sinai School of Medicine</i>		5-P50-MH096890-04		(2,534)	(2,534)
<i>Pass-Through from New York University</i>		F6909-02 PO#		84,411	84,411
		IB00001334			
<i>Pass-Through from Northshore University Healthsystem</i>		5R01MH0980059-04		113,349	113,349
<i>Pass-Through from Oregon Research Institute</i>		R01MH097720		146,053	146,053
<i>Pass-Through from Palo Alto Veterans Institute for Research</i>		WIS0001- 04/R01MH1065		86,657	86,657
<i>Pass-Through from Pennington Biomedical Research Center</i>		1R01MH094448S04		16,485	16,485
<i>Pass-Through from Research Foundation of SUNY</i>		47509/1073358		338	338
<i>Pass-Through from Research Foundation of SUNY</i>		47509/3R01MH080050-0		3,551	3,551
<i>Pass-Through from University of Arizona</i>		182986		231	231
<i>Pass-Through from University of California - San Diego</i>		57306453		86,230	86,230
<i>Pass-Through from University of California - San Diego</i>		5R01MH10734503		172,754	172,754
<i>Pass-Through from University of California - San Francisco</i>		1R01MH102171-01		9,651	9,651
<i>Pass-Through from University of Colorado - Boulder</i>		1554267 PO 1000695739		49,349	49,349
<i>Pass-Through from University of Iowa</i>		1R01MH104363-01		125,593	125,593
<i>Pass-Through from University of Iowa</i>		1R01MH104384-01A1		88,174	88,174
<i>Pass-Through from University of Miami</i>		5R01MH093432		59,595	59,595
<i>Pass-Through from University of Missouri</i>		C00040362-1		12,737	12,737
<i>Pass-Through from University of New Mexico Health Science Center</i>		1R01MH111826-01		6,834	6,834
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		1 R01 MH111429-01		25,231	25,231
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		1 U01 MH110274 01		6,788	6,788
<i>Pass-Through from University of Pennsylvania</i>		5R01MH10413404		24,360	24,360
<i>Pass-Through from University of Pennsylvania</i>		5R01MH11138902		137,640	137,640
<i>Pass-Through from University of Pittsburgh</i>		000030253 (123481-2)		32,556	32,556
<i>Pass-Through from University of South Florida</i>		6118-1063-00-E		28,715	28,715
<i>Pass-Through from University of Southern California</i>		81305593		13,527	13,527
<i>Pass-Through from University of Washington</i>		5UH3MH10633803		11,247	11,247
<i>Pass-Through from University of Washington</i>		5UH3MH106338-03		8,092	8,092

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Vanderbilt University School of Medicine</i>		6R01MH095621-06 58041		2,720	2,720
<i>Pass-Through from Virginia Commonwealth University</i>		PT108765-SC104624		(56)	(56)
<i>Pass-Through from Yale University</i>		A07474 (MO9A10255)		16,856	16,856
<i>Pass-Through from Yale University</i>		M13A11613 (A09173)		22,872	22,872
<i>Pass-Through from Yale University</i>		M16A12403 (A10187)		162,634	162,634
<i>Pass-Through from Yale University</i>		M17A12697 (A10918)		5,335	5,335
Total - CFDA 93.242			1,822,894	25,435,583	27,258,477
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		803,435	2,944,169	3,747,604
<i>Pass-Through from Center for Health Care Services</i>		1H79SP021252-01		18,481	18,481
<i>Pass-Through from Dallas County - Criminal Justice Department</i>		1H79TI026072-01		26,515	26,515
Total - CFDA 93.243			803,435	2,989,165	3,792,600
Occupational Safety and Health Program	93.262		592,263	2,309,230	2,901,493
<i>Pass-Through from Colorado State University</i>		2U54OH008085-13		115,088	115,088
<i>Pass-Through from Colorado State University</i>		5U54OH008085-12		98,114	98,114
<i>Pass-Through from Southeastern Louisiana University</i>		OSR-02-2017-0108		5,085	5,085
<i>Pass-Through from State University of New York</i>		U01OH011321		33,848	33,848
Total - CFDA 93.262			592,263	2,561,365	3,153,628
Alcohol Research Programs	93.273		352,349	10,852,583	11,204,932
<i>Pass-Through from Arizona State University</i>		14-370		28,878	28,878
<i>Pass-Through from Arizona State University</i>		14-401		2,064	2,064
<i>Pass-Through from Cleveland Clinic Foundation</i>		4U01AA021893		277,412	277,412
<i>Pass-Through from Cleveland Clinic Foundation</i>		5U01AA021893-04		(2,519)	(2,519)
<i>Pass-Through from Louisiana State University</i>		16-21-256		24,856	24,856
<i>Pass-Through from Medications Discovery Texas, Inc.</i>		R24AA022049-02		46,164	46,164
<i>Pass-Through from Research Foundation for the State University of New York</i>		R1035922		9,612	9,612
<i>Pass-Through from San Diego State University Research Foundation</i>		53253N P1660 7806 211 E0015107 8		38,625	38,625
<i>Pass-Through from Stanford University</i>		6038314-52262-A		52,627	52,627
<i>Pass-Through from Syracuse University</i>		28397-04395-S01		14,538	14,538
<i>Pass-Through from The Scripps Research Institute</i>		PO 5-52438		3,322	3,322
<i>Pass-Through from University of California - San Diego</i>		5U01AA014835-10		58,749	58,749
<i>Pass-Through from University of California - San Francisco</i>		8051SC		9,008	9,008
<i>Pass-Through from University of California - San Francisco</i>		8051SC 03		120	120
<i>Pass-Through from University of California - San Francisco</i>		8051SC 06		117,686	117,686
<i>Pass-Through from University of California - San Francisco</i>		9128-SC		770	770
<i>Pass-Through from University of North Carolina</i>		5100058 (5U01- AA021908-03)		(103)	(103)
<i>Pass-Through from University of North Carolina</i>		5104592		172,170	172,170
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		(4U01AA021908-04) RS20131943- 05/R01AA012207		9,476	9,476
<i>Pass-Through from University of Virginia</i>		5 R01 AA019720 05		1,085	1,085
<i>Pass-Through from University of Washington</i>		UWSC6895		19,617	19,617
<i>Pass-Through from University of Washington</i>		UWSC9088		57,135	57,135
<i>Pass-Through from Wayne State University</i>		R21AA024055		93,766	93,766
Total - CFDA 93.273			352,349	11,887,641	12,239,990

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
Drug Abuse and Addiction Research Programs <i>Pass-Through from Antidote Therapeutics, Inc.</i>	93.279		1,502,553	14,275,114	15,777,667
		UTA16-001034		140,116	140,116
		1R01DA038877-01			
<i>Pass-Through from Baylor College of Medicine</i>		102183510		(4,256)	(4,256)
<i>Pass-Through from Columbia University</i>		5R01DA02746005		(14,377)	(14,377)
<i>Pass-Through from Emory University</i>		T372392- 2		96,482	96,482
<i>Pass-Through from Fordham University</i>		FORD0005		42,868	42,868
<i>Pass-Through from Group Health Research Institute</i>		3UG1DA040314-02S1		24,612	24,612
		UG1DA04031			
<i>Pass-Through from Johns Hopkins University</i>		2003086439		35,023	35,023
<i>Pass-Through from Miriam Hospital</i>		R01DA030778		37,876	37,876
<i>Pass-Through from Mount Sinai School of Medicine</i>		3 P01DA008227-21S1		(690)	(690)
<i>Pass-Through from Mount Sinai School of Medicine</i>		5P01DA008227-24		80,218	80,218
<i>Pass-Through from Mount Sinai School of Medicine</i>		MTSINAI		267,996	267,996
<i>Pass-Through from Radiant Creative Group, LLC</i>		1 R41 DA035012 01		9	9
<i>Pass-Through from Radiant Creative Group, LLC</i>		5R42DA035012-02		122,325	122,325
<i>Pass-Through from Research Foundation for the State University of New York</i>		R1015188		46,592	46,592
<i>Pass-Through from Seralogix, LLC</i>		SA1001		13,593	13,593
<i>Pass-Through from Stanford University</i>		60043335-51013-B/R01		8,450	8,450
<i>Pass-Through from Syracuse University</i>		27294-03137-S01		9,216	9,216
<i>Pass-Through from Temple University of the Commonwealth System</i>		R01DA035926		59,204	59,204
<i>Pass-Through from Tietronix Software, Inc.</i>		HHSN271201600010C		126,258	126,258
<i>Pass-Through from University of California - San Diego</i>		5R01DA026452-08		66,800	66,800
<i>Pass-Through from University of Chicago</i>		FP054395-A		2,753	2,753
<i>Pass-Through from University of Chicago</i>		FP059270-C		136,959	136,959
<i>Pass-Through from University of Connecticut</i>		1R01DA039942-01A1		87,401	87,401
<i>Pass-Through from University of Connecticut</i>		1R21DA038804-01A1		63,588	63,588
<i>Pass-Through from University of Florida</i>		UFDSP00010828/R01D A0		17,957	17,957
<i>Pass-Through from University of Minnesota</i>		N001676201		22,310	22,310
<i>Pass-Through from University of Pennsylvania</i>		5 U01 CA020830 10		(19,156)	(19,156)
<i>Pass-Through from University of Pittsburgh</i>		0008871/DA026222		(32)	(32)
<i>Pass-Through from University of Pittsburgh</i>		5 R01 DA036680 04		113,729	113,729
<i>Pass-Through from Virginia Commonwealth University</i>		5U54DA03899904		198,168	198,168
<i>Pass-Through from Wayne State University</i>		WSU14136-A2		13,815	13,815
<i>Pass-Through from Western University of Health Sciences</i>		20111-1397		35,189	35,189
Total - CFDA 93.279			1,502,553	16,106,110	17,608,663
Mental Health National Research Service Awards for Research Training	93.282				
<i>Pass-Through from Miami University</i>		G60363		69,660	69,660
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283		38,342	97,007	135,349
<i>Pass-Through from Giner, Inc.</i>		200-2016-M-91373		39,308	39,308
Total - CFDA 93.283			38,342	136,315	174,657
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		607,173	5,386,277	5,993,450
<i>Pass-Through from Bionic Eye Technologies, Inc.</i>		1U01EB018873-01		3,892	3,892
<i>Pass-Through from Burke Cornell Medical Research Institute</i>		1R21EB020318-01A1		123,553	123,553
<i>Pass-Through from Dep Shape Memory Therapeutics, Inc.</i>		M1600368		54	54
<i>Pass-Through from Georgia Institute of Technology</i>		7 R01 EB008101-09		153,623	153,623
<i>Pass-Through from Kitware, Inc.</i>		5 R01 EB021391 03		14,872	14,872

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Kitware, Inc.</i>		K000688-00-S05		34,506	34,506
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710004091		58,193	58,193
<i>Pass-Through from Shape Memory Medical, Inc.</i>		SRS REF M1 700925		199,844	199,844
<i>Pass-Through from Sri International</i>		1R01EB01424401		83,682	83,682
<i>Pass-Through from Tel Aviv Sourasky Medical Center</i>		1 R01 EB017206 01		91,377	91,377
<i>Pass-Through from University of Nebraska Medical Center</i>		1R21EB019175-01A1		64,803	64,803
<i>Pass-Through from University of Washington</i>		UWSC8694 PO# BPO9355		93,180	93,180
<i>Pass-Through from William Marsh Rice University</i>		4 U54 EB015403 05		14,139	14,139
<i>Pass-Through from William Marsh Rice University</i>		R21 EB017384		(3,188)	(3,188)
<i>Pass-Through from William Marsh Rice University</i>		R21CA187316		524	524
<i>Pass-Through from William Marsh Rice University</i>		T15 LM007093-23		(125)	(125)
<i>Pass-Through from William Marsh Rice University</i>		T15 LM007093-24		49,112	49,112
<i>Pass-Through from William Marsh Rice University</i>		T15LM00093-24		28,979	28,979
Total - CFDA 93.286			607,173	6,397,297	7,004,470
Teenage Pregnancy Prevention Program	93.297		1,151,066	1,082,641	2,233,707
Minority Health and Health Disparities Research	93.307		317,291	9,162,321	9,479,612
<i>Pass-Through from Bayou Clinic</i>		1U54MD008602- P03TAM		15,137	15,137
<i>Pass-Through from Cornell University</i>		5R01MD007652		34,898	34,898
<i>Pass-Through from Hampton University</i>		5U54MD00862102		6,585	6,585
<i>Pass-Through from Klein Buendel, Inc.</i>		0311-0162-000		48,155	48,155
<i>Pass-Through from Loma Linda University</i>		2110075-4-UTEP		33,011	33,011
<i>Pass-Through from Medical University of South Carolina</i>		MUSC16-071- 8C128/R01MD011		39,939	39,939
<i>Pass-Through from Medical University of South Carolina</i>		MUSC16-079- 8C186/U54MD010		31,983	31,983
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		BD521003		54,875	54,875
<i>Pass-Through from Tuskegee University</i>		39 22650 092 76910		19,999	19,999
<i>Pass-Through from University of Alabama - Birmingham</i>		5U24MD006970-06		40,606	40,606
<i>Pass-Through from University of Hawaii</i>		KA1247		19,936	19,936
<i>Pass-Through from Weill Cornell Medicine</i>		5R01MD007652-03		14,723	14,723
<i>Pass-Through from William Marsh Rice University</i>		1 R01 MD010362-01		13,239	13,239
Total - CFDA 93.307			317,291	9,535,407	9,852,698
Trans-NIH Research Support	93.310		512,667	10,619,742	11,132,409
<i>Pass-Through from Dartmouth College</i>		R917		26,879	26,879
<i>Pass-Through from Georgetown University</i>		4220076		46,244	46,244
<i>Pass-Through from Lynntech, Inc.</i>		M1600938		16,176	16,176
<i>Pass-Through from Oregon Health and Science University</i>		5 U54 HG008100 03		398,285	398,285
<i>Pass-Through from Profusa, Inc.</i>		TEES TRA 10102012		56,594	56,594
<i>Pass-Through from Purdue University</i>		1OT2OD023847-01		63,691	63,691
<i>Pass-Through from Temple University</i>		1U01HG008468-01		91,939	91,939
<i>Pass-Through from Temple University</i>		3U01HG008468-02S1		101,620	101,620
<i>Pass-Through from Translational Genomics Research Institute</i>		5UHTR000891		9,297	9,297
<i>Pass-Through from United Way of Tarrant County</i>		PPHF-2015;90FP0019- 01-00		105,130	105,130
<i>Pass-Through from University of Florida</i>		UFDSP00011582		1,132	1,132
<i>Pass-Through from Vanderbilt University Medical Center</i>		5U2COD023196-02 ()		184,359	184,359
Total - CFDA 93.310			512,667	11,721,088	12,233,755

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program <i>Pass-Through from University of Illinois - Champaign - Urbana</i>	93.314	2014-03049-01		6,658	6,658
Emerging Infections Programs <i>Pass-Through from Johns Hopkins University School of Medicine</i>	93.317	SR00001694		2,304	2,304
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity and Security <i>Pass-Through from Kansas State University</i>	93.318	S18030 - (126493- G003500)		13,047	13,047
Total - CFDA 93.318			0	19,254	19,254
National Implementation and Dissemination for Chronic Disease Prevention <i>Pass-Through from American Heart Association</i>	93.328	114312		165,771	165,771
Public Health Service Evaluation Funds <i>Pass-Through from Etr Associates</i>	93.343	1TPEAH000001-01-00		44,278	44,278
National Center for Advancing Translational Sciences <i>Pass-Through from Harvard University</i>	93.350	149749 5103179 4469/UL1TR 2015-3262 01 2015-3262 02 (WEXT) 9525SC 0055353(129324- 31)/UL1TR0 3UL1TR001857-01S1 5UL1TR001857-02	330,214	18,998,748 61,748 2,120 29,063 30,000 10,989 86,951 23,045	19,328,962 61,748 2,120 29,063 30,000 10,989 86,951 23,045
Total - CFDA 93.350			330,214	19,242,664	19,572,878
Research Infrastructure Programs <i>Pass-Through from Auratus Bio, LLC</i> <i>Pass-Through from Kj Biosciences, LLC</i> <i>Pass-Through from Louisiana State University</i> <i>Pass-Through from Texas Biomedical Research Institute</i> <i>Pass-Through from Texas Biomedical Research Institute</i> <i>Pass-Through from University of Colorado - Denver</i> <i>Pass-Through from University of Oklahoma</i> <i>Pass-Through from University of Oregon</i> <i>Pass-Through from University of Puerto Rico</i> <i>Pass-Through from University of Puerto Rico</i>	93.351	1R41OD02197901 039-001 5 R24 OD018553 02 16-03508-009 16-03508- 075/2P51OD011133 FY16 745 002/R24OD01 5 P40 OD010431-05 8000002227 2016-001915-A 2P400OD012217-29	36,096	6,428,308 21,832 66,054 409,176 223,208 46,585 28,028 19,218 163,093 22,409 7,483	6,464,404 21,832 66,054 409,176 223,208 46,585 28,028 19,218 163,093 22,409 7,483
Total - CFDA 93.351			36,096	7,435,394	7,471,490
Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development <i>Pass-Through from Atox Bio, Ltd.</i>	93.360	HHSO1002014000013C	7,965	8,160,460	8,168,425
Total - CFDA 93.360			7,965	8,160,865	8,168,830
Nursing Research <i>Pass-Through from Baylor College of Medicine</i>	93.361	56010897791R21NR01 4149-01A1 REV	188,773	2,595,794 33,620	2,784,567 33,620

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Baylor College of Medicine</i>		5R01NR014657-03		82,870	82,870
<i>Pass-Through from Baylor College of Medicine</i>		5R01NR01479205		4,026	4,026
<i>Pass-Through from Palliative Care Research Cooperative Group</i>		PCRC PILOT 2015-06P		18,396	18,396
<i>Pass-Through from University of Kansas Medical Center Research Institute, Inc.</i>		1R01NR016255-01A1		4,595	4,595
Total - CFDA 93.361			188,773	2,739,301	2,928,074
National Center for Research Resources	93.389			963,302	963,302
Cancer Cause and Prevention Research	93.393		2,004,056	28,536,908	30,540,964
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA172511 04		180,296	180,296
<i>Pass-Through from Baylor College of Medicine</i>		7R01CA187143-03		20,086	20,086
<i>Pass-Through from Beckman Research Institute</i>		7 R01 CA140245 06		8,809	8,809
<i>Pass-Through from Cleveland Clinic Lerner College of Medicine</i>		7R01CA138688-07		108,058	108,058
<i>Pass-Through from Dana-Farber Cancer Institute</i>		5 R01 CA174206-04		138,352	138,352
<i>Pass-Through from Digital Science Tech</i>		5 R42 CA139822 04		495	495
<i>Pass-Through from Emory University</i>		5U01CA154282-05		15,039	15,039
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		0000844679		182,363	182,363
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		1 R01 CA172415 03		(9,480)	(9,480)
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		2 R01 CA54498-21A		(3)	(3)
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		4 R01 CA054498 25		10,077	10,077
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		5 R01 CA192402 02		40,406	40,406
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		879370/R01CA183570		9,953	9,953
<i>Pass-Through from Georgetown University</i>		5R01CA135069-07		23,933	23,933
<i>Pass-Through from Georgetown University Medical Center</i>		3 U01 CA152958 05		3,582	3,582
<i>Pass-Through from Georgetown University Medical Center</i>		5 U01 CA152958 05		1,023	1,023
<i>Pass-Through from Georgetown University Medical Center</i>		5 U01 CA199218 02		199,375	199,375
<i>Pass-Through from Group Health Research Institute</i>		4R01CA121125-09		43,754	43,754
<i>Pass-Through from H. Lee Moffitt Cancer Center and Research Institute</i>		10-18701-99-01-S1		43,378	43,378
<i>Pass-Through from H. Lee Moffitt Cancer Center and Research Institute</i>		7 R01 CA194617 03		13,272	13,272
<i>Pass-Through from Harvard Medical School</i>		5 U19 CA148127 04		(119,400)	(119,400)
<i>Pass-Through from Johns Hopkins University</i>		2 R01 CA154823 05		18,274	18,274
<i>Pass-Through from Johns Hopkins University</i>		5 R01 CA154823 04		(13,345)	(13,345)
<i>Pass-Through from Johns Hopkins University</i>		5P01CA134292-05		(12,575)	(12,575)
<i>Pass-Through from Korea Cancer Center Hospital</i>		KIRAMS 50906-2013		15,132	15,132
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		2 P01 CA092584 16		70,403	70,403
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		2P01CA092584-15		16,252	16,252
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		5P01CA092584-15		(345)	(345)
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7336093		49,581	49,581
<i>Pass-Through from Mayo Clinic</i>		1 R01 CA200703 01 A1		61,613	61,613
<i>Pass-Through from Mayo Clinic</i>		5 R01 CA154537 04		85,818	85,818
<i>Pass-Through from Mayo Clinic</i>		5 U01 CA195568 03		405,178	405,178
<i>Pass-Through from Mayo Clinic - Arizona</i>		5 P01 CA077839 14		(16,916)	(16,916)
<i>Pass-Through from Mayo Clinic - Arizona</i>		5 P01 CA077839 15		62,547	62,547
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		5 R01 CA129639 05		7,962	7,962
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		5 R01 CA151899 05		9,064	9,064
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		BD517035B/R01CA17 9115		160,542	160,542
<i>Pass-Through from National Cancer Institute</i>		1 R01 CA218287-01		7,210	7,210
<i>Pass-Through from Ohio State University</i>		60044765/R01CA193244		9,720	9,720
<i>Pass-Through from Radiant Creative Group, LLC</i>		1 R41 CA168107 01		(6)	(6)
<i>Pass-Through from Radiant Creative Group, LLC</i>		5R42CA168107-03		94,771	94,771

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Regents of the University of California</i>		5U10CA187945-03		109,870	109,870
<i>Pass-Through from St. Jude Children's Research Hospital</i>		5 R01 CA157838 05		6,665	6,665
<i>Pass-Through from Stanford University</i>		5 R01 CA172145-03		105,657	105,657
<i>Pass-Through from University of Alabama - Birmingham</i>		1R01CA200653-01A1		17,949	17,949
<i>Pass-Through from University of Arizona</i>		313208		11,564	11,564
<i>Pass-Through from University of Arizona</i>		5R01CA186700-03		134,309	134,309
<i>Pass-Through from University of Arizona</i>		7R01CA127387-09		109,548	109,548
<i>Pass-Through from University of California - Berkeley</i>		5P01CA09258413		(4,867)	(4,867)
<i>Pass-Through from University of California - San Diego</i>		1 R21 CA192072 01A1		23,052	23,052
<i>Pass-Through from University of California - San Diego</i>		5R01CA177996-02		130,687	130,687
<i>Pass-Through from University of California - Santa Barbara</i>		1R21CA191133-01		(40)	(40)
<i>Pass-Through from University of Iowa</i>		5 R01 CA140933 05		(566)	(566)
<i>Pass-Through from University of Iowa</i>		5 R01 CA193249 02		58,444	58,444
<i>Pass-Through from University of Louisville Research Foundation, Inc.</i>		2 R01 CA138688 06 A1		(24,689)	(24,689)
<i>Pass-Through from University of Louisville Research Foundation, Inc.</i>		5 R01 CA138688 03		(42,891)	(42,891)
<i>Pass-Through from University of Miami</i>		66971E/R01CA155388		4,673	4,673
<i>Pass-Through from University of Minnesota</i>		5 R01 CA157458 03		(3,114)	(3,114)
<i>Pass-Through from University of New Mexico</i>		1 P01 CA206980-01A1		6,546	6,546
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5 R01 CA098286 13		24	24
<i>Pass-Through from University of Oklahoma</i>		7 R01CA172786-02		36,054	36,054
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		RS20160790-04		17,586	17,586
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		RS2040385-05		9,060	9,060
<i>Pass-Through from University of Pennsylvania</i>		5 U01 CA164947 04		(3,323)	(3,323)
<i>Pass-Through from University of South Alabama</i>		4R01CA155638-05		20,290	20,290
<i>Pass-Through from University of Southern California</i>		5R01CA157577-05 Y87808		9,432	9,432
<i>Pass-Through from University of Southern California</i>		H51489/R01CA132637-5		143	143
<i>Pass-Through from University of Utah</i>		10038380-01		121,000	121,000
<i>Pass-Through from University of Utah</i>		5 R01 CA164138 03		27,940	27,940
<i>Pass-Through from University of Utah</i>		5R01CA164138		15,805	15,805
<i>Pass-Through from University of Washington</i>		5R01CA168598-05		15,411	15,411
<i>Pass-Through from Vanderbilt University</i>		VUMC 40571		(2,610)	(2,610)
<i>Pass-Through from Vanderbilt University Medical Center</i>		1 R01 CA202981 01		14,671	14,671
<i>Pass-Through from Venturwell</i>		5R01CA17841402		15,268	15,268
<i>Pass-Through from Virginia Polytechnic Institute</i>		432006- 19543/R33CA214176		1,387	1,387
<i>Pass-Through from Wake Forest University Health Sciences</i>		R01CA199137		3,029	3,029
<i>Pass-Through from William Marsh Rice University</i>		1 R01 CA190329 02 A1		10,438	10,438
Total - CFDA 93.393			2,004,056	31,435,558	33,439,614
Cancer Detection and Diagnosis Research	93.394		2,039,705	12,074,677	14,114,382
<i>Pass-Through from American College of Radiology</i>		5U10CA180820-03 6690		24,593	24,593
<i>Pass-Through from Arizona State University</i>		1 R33 CA191110 01		10,510	10,510
<i>Pass-Through from Baylor College of Medicine</i>		4 R01 CA164024-04		151,318	151,318
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA163103 05		69,266	69,266
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA190776-03		54,587	54,587
<i>Pass-Through from Baylor College of Medicine</i>		5R01CA166749-03		(250)	(250)
<i>Pass-Through from Baylor College of Medicine</i>		5R01CA193776-02		145,288	145,288
<i>Pass-Through from Brookdale Hospital and Medical Center</i>		P01CA082710		(535)	(535)
<i>Pass-Through from C4 Imaging, LLC</i>		1R44CA199905-01		130,735	130,735
<i>Pass-Through from Children's Hospital of Philadelphia</i>		1R01CA19377-01		(3,638)	(3,638)
<i>Pass-Through from Cleveland Clinic Lerner College of Medicine</i>		5 R01 CA187415 02		140,932	140,932

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Columbia University</i>		1R21CA195110-01A1		80,377	80,377
<i>Pass-Through from Ecog - Acrin Cancer Research Group</i>		4490/5U01CA080098-10		3,847	3,847
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		5 U24 CA196172 02		1,499,792	1,499,792
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		U24CA114737-08S1		(1,355)	(1,355)
<i>Pass-Through from Evorx Technologies, Inc.</i>		2 R44 CA206771-02		213,100	213,100
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		0000832933/UM1CA1828		3,366	3,366
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		0000881951/UM1CA182883		19,302	19,302
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		2 U24 CA086368 16		217,045	217,045
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		2U24CA086368-16		108,015	108,015
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		5 U24 CA086368 15		(28,113)	(28,113)
<i>Pass-Through from Ge Global Research</i>		1R01CA154433		157,978	157,978
<i>Pass-Through from Georgia Institute of Technology</i>		7 R01 CA158598 05		67,292	67,292
<i>Pass-Through from Georgia Institute of Technology</i>		RH303-G1		7,057	7,057
<i>Pass-Through from Institute for Systems Biology</i>		5 U24 CA143835 05		(1)	(1)
<i>Pass-Through from Masimo Corporation</i>		1 U01 CA201777 01		140,074	140,074
<i>Pass-Through from Massachusetts General Hospital</i>		5 R01CA169200 05		160,115	160,115
<i>Pass-Through from Mayo Clinic</i>		1 R01 CA197120 02		15,363	15,363
<i>Pass-Through from Mayo Clinic</i>		5U01CA180940-03 / PO 64783965		20,356	20,356
<i>Pass-Through from Methodist Hospital Research Institute</i>		5 U01 CA189240 02		204,272	204,272
<i>Pass-Through from Methodist Hospital Research Institute</i>		5R01CA180083-04		109,248	109,248
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		5 UG1 CA189867 03		16,746	16,746
<i>Pass-Through from Qt Ultrasound</i>		5R01CA138536-04		159,008	159,008
<i>Pass-Through from Seattle Children's Hospital</i>		10969		42,080	42,080
<i>Pass-Through from St. Jude Children's Research Hospital</i>		1R01CA193478-0101		11,206	11,206
<i>Pass-Through from Stanford University</i>		61185939-114828		(318)	(318)
<i>Pass-Through from The Research Institute at Nationwide Children's Hospital</i>		5U24CA196175-03		6,208	6,208
<i>Pass-Through from Thomas Jefferson University</i>		5R01CA194307-02		28,250	28,250
<i>Pass-Through from Tomowave Laboratories, Inc.</i>		5 R01 CA167446 03		24,528	24,528
<i>Pass-Through from University of Alabama - Birmingham</i>		1 R21 CA161633 01 A1		1	1
<i>Pass-Through from University of California - Irvine</i>		R01CA142989-05		23,595	23,595
<i>Pass-Through from University of California - San Diego</i>		5R01CA166749-06		218,463	218,463
<i>Pass-Through from University of Hawaii</i>		KA160014		46,640	46,640
<i>Pass-Through from University of Illinois - Chicago</i>		1 R01 CA214825-01		1,684	1,684
<i>Pass-Through from University of Maryland - Baltimore</i>		1701165/14432		98,971	98,971
<i>Pass-Through from University of Michigan</i>		2 R01 CA160254-05		49,815	49,815
<i>Pass-Through from University of Michigan</i>		2 U01 CA086400 16		34	34
<i>Pass-Through from University of Michigan</i>		5 R01 CA160254 04		(4,265)	(4,265)
<i>Pass-Through from University of Michigan</i>		PO1CA085878 03		7,141	7,141
<i>Pass-Through from University of Nebraska</i>		5 U01 CA111294 10		(191)	(191)
<i>Pass-Through from University of Pittsburgh</i>		1R01CA196286-01A1		(6,622)	(6,622)
<i>Pass-Through from University of Washington</i>		5 R01 CA180949 03		44,050	44,050
<i>Pass-Through from University of Wisconsin - Madison</i>		5 R01 CA185251-04		323,240	323,240
<i>Pass-Through from Vanderbilt University</i>		UNIV58314		69,499	69,499
<i>Pass-Through from Vanderbilt University</i>		VUMC 58558		52,463	52,463
<i>Pass-Through from Washington University - St. Louis</i>		1 U24 CA211006 01		17,513	17,513
<i>Pass-Through from Washington University - St. Louis</i>		7R01CA159471-05		6,601	6,601
<i>Pass-Through from William Marsh Rice University</i>		5 R01 CA103830 10		113,789	113,789
<i>Pass-Through from William Marsh Rice University</i>		5 R01 CA185207 03		200,481	200,481

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from William Marsh Rice University</i>		5 R01 CA186132 02		50,967	50,967
<i>Pass-Through from William Marsh Rice University</i>		5R01CA185207-04		140,156	140,156
<i>Pass-Through from William Marsh Rice University</i>		R22512		44,058	44,058
<i>Pass-Through from Yale University</i>		5R01CA155196-05		(32,350)	(32,350)
Total - CFDA 93.394			2,039,705	17,548,054	19,587,759
Cancer Treatment Research	93.395		3,644,688	31,039,175	34,683,863
<i>Pass-Through from 7 Hills Pharma, LLC</i>		1 R4 1CA203456-01A1		108,091	108,091
<i>Pass-Through from Alliance for Clinical Trials in Oncology</i>		5U10CA18082101		42,531	42,531
<i>Pass-Through from Alliance for Clinical Trials in Oncology</i>		7U10CA076001 16		3,900	3,900
<i>Pass-Through from Alliance for Clinical Trials in Oncology</i>		CA076001		12,624	12,624
<i>Pass-Through from American College of Radiology</i>		1 U24 CA180803 03-IR		966,333	966,333
<i>Pass-Through from American College of Radiology</i>		3U10CA037422-26S1 RE		64	64
<i>Pass-Through from American College of Radiology</i>		5U10CA180868-04		252,956	252,956
<i>Pass-Through from American College of Radiology</i>		ACRIN - 6701		877	877
<i>Pass-Through from American College of Radiology</i>		U10CA21661		(5,081)	(5,081)
<i>Pass-Through from Baylor College of Medicine</i>		1R1CA190933-01A1		3,486	3,486
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA187202 02		(16,339)	(16,339)
<i>Pass-Through from Baylor University</i>		5R01CA14067404		44	44
<i>Pass-Through from Beckman Research Institute</i>		1 R01 CA201496 01A		140,703	140,703
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U10 CA076001 17		44,424	44,424
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U10 CA180821 02		178,422	178,422
<i>Pass-Through from Brigham and Women's Hospital</i>		5U10CA180821-03		107,877	107,877
<i>Pass-Through from Brigham and Women's Hospital</i>		7 U10 CA076001 16		9,758	9,758
<i>Pass-Through from Cbs Therapeutics, Inc.</i>		1R41CA18628801		(2,929)	(2,929)
<i>Pass-Through from Cerrx, Inc.</i>		R44CA183316		42,000	42,000
<i>Pass-Through from Children's Hospital of Philadelphia</i>		1 U10 CA180886 01		5,853	5,853
<i>Pass-Through from Children's Hospital of Philadelphia</i>		1U10CA180886-01		1,196	1,196
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500080215-12C/U10CA		5,692	5,692
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500080216- XX/U10CA180886		34,488	34,488
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500080217- XX/U10CA1		17,768	17,768
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500080217- XX/U10CA180886		11,774	11,774
<i>Pass-Through from Children's Hospital of Philadelphia</i>		AMATRUDA-COG SMITSCS		6,563	6,563
<i>Pass-Through from Children's Hospital of Philadelphia</i>		COG SMITSCS YR 3		14,247	14,247
<i>Pass-Through from Children's Hospital of Philadelphia</i>		SKAPEK-COG STS 03		20,067	20,067
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180884		19,352	19,352
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180886		117,583	117,583
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180886 YEAR 3		6,105	6,105
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180886- WINICK N		28,291	28,291
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180886-YEAR 3		3,325	3,325
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA98543		158	158
<i>Pass-Through from Children's Hospital of Philadelphia</i>		UMICA097452		12,427	12,427
<i>Pass-Through from Cold Spring Harbor Laboratory</i>		5 U10 CA180944 04		18,099	18,099
<i>Pass-Through from Corvida Medical</i>		R44CA153636/CORVI DA	21,203	62,373	83,576
<i>Pass-Through from Duke Clinical Research Institute</i>		5U10CA07600115		2,773	2,773
<i>Pass-Through from Duquesne University</i>		G1100079/R01CA1428 68		17,133	17,133
<i>Pass-Through from Eastern Cooperative Oncology Group</i>		U10CA180820-02		13,088	13,088
<i>Pass-Through from Ecog - Acrin Cancer Research Group</i>		5U10CA0211505		168,905	168,905

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		5 U10 CA180820-03		133,328	133,328
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		5U10CA180820 03-MDA2		15,904	15,904
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		5U10CA180820-04 MDA2		15,904	15,904
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		U10 CA180820 03-MDA3		329,832	329,832
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		U10CA180820-02		13,086	13,086
<i>Pass-Through from Ecog - Acrin Medical Research Foundation, Inc.</i>		U10CA180820-02S1		16,968	16,968
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		4 R01 CA118953 09		1,976	1,976
<i>Pass-Through from Frontier Science and Technology Research Foundation</i>		5 U10 CA021115 39		(1,075)	(1,075)
<i>Pass-Through from Frontier Science and Technology Research Foundation</i>		ECOG U10CA021115		133	133
<i>Pass-Through from Frontier Science and Technology Research Foundation</i>		U10CA021115-39		11,773	11,773
<i>Pass-Through from Georgia Institute of Technology</i>		RG883-G2	24,320	1,018	25,338
<i>Pass-Through from Gynecologic Oncology Group Foundation, Inc.</i>		5 U10 CA027469 33		(1,438)	(1,438)
<i>Pass-Through from Gynecologic Oncology Group Foundation, Inc.</i>		5U10CA027469 23		(84,928)	(84,928)
<i>Pass-Through from Gynecologic Oncology Group Foundation, Inc.</i>		5U10CA27469		21,748	21,748
<i>Pass-Through from Houston Pharmaceuticals, Inc.</i>		1R43CA210839-01		40,762	40,762
<i>Pass-Through from Leland Stanford Junior University</i>		5 R01 CA198291 02		83,736	83,736
<i>Pass-Through from Louisiana State University</i>		7 R01 CA131463-04		258	258
<i>Pass-Through from Massachusetts General Hospital</i>		5 P01 CA163222 03		(119,124)	(119,124)
<i>Pass-Through from Massachusetts General Hospital</i>		5 U19 CA021239 37		90,626	90,626
<i>Pass-Through from Massachusetts General Hospital</i>		5P01CA16222-05		402,735	402,735
<i>Pass-Through from Massachusetts General Hospital</i>		5R01CA193970-02		17,195	17,195
<i>Pass-Through from Massachusetts General Hospital</i>		5U19CA021239-36		486,723	486,723
<i>Pass-Through from Massachusetts General Hospital</i>		5U19CA021239-37		854,368	854,368
<i>Pass-Through from Mayo Clinic</i>		5 UG1 CA189823 03		128,058	128,058
<i>Pass-Through from Medical College of Wisconsin</i>		5R01CA184798-03		(9,177)	(9,177)
<i>Pass-Through from National Cancer Institute</i>		5 R01 CA172741 05		370,505	370,505
<i>Pass-Through from National Cancer Institute</i>		7 R01 CA191222-02		11,324	11,324
<i>Pass-Through from National Childhood Cancer Foundation</i>		5 U10 CA098543 09		(13,289)	(13,289)
<i>Pass-Through from National Childhood Cancer Foundation</i>		5 U10 CA98543 09		501	501
<i>Pass-Through from National Institutes of Health</i>		1P01CA207206-01A1		30,208	30,208
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		1 U10 CA180868 03		4,830	4,830
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		1U10CA18086801		(43)	(43)
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		1U10CA18086804		7,363	7,363
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		1UCA180868-03		7,532	7,532
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		5 U10 CA180868 03		19,062	19,062
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		5 U10 CA180868 04		6,079	6,079
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		5U10CA180868-04		11,881	11,881
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		GOG237		14	14
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		GOG262		20,452	20,452
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		NRGCC001		35	35
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		NRGN001		12	12
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		RTOG-0924		57,422	57,422
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		RTOG1071		417	417
<i>Pass-Through from Nrg Oncology Foundation, Inc.</i>		RTOG9813		81	81

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Nsabp</i>		1 U10 CA012027 01		1,477	1,477
<i>Pass-Through from Nsabp</i>		5 U10 CA012027 38		(95)	(95)
<i>Pass-Through from Ocean Nanotech, LLC</i>		1R44CA196025-01		127,164	127,164
<i>Pass-Through from Ohio State University</i>		1R01CA206366-01A1		171,984	171,984
<i>Pass-Through from Ohio State University</i>		5 R01 CA198128 02		19,238	19,238
<i>Pass-Through from Oregon Health and Science University</i>		13035474		121,058	121,058
<i>Pass-Through from Oregon Health and Science University</i>		5 U10 CA180888 03		8,372	8,372
<i>Pass-Through from Oregon Health and Science University</i>		5 UG1 CA189974 03		29,061	29,061
<i>Pass-Through from Oregon Health and Science University</i>		5U10CA180888-03		124,883	124,883
<i>Pass-Through from Oregon Health and Science University</i>		5U10CA180888-04		7,555	7,555
<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		25,669	25,669
<i>Pass-Through from Oregon Health Sciences University</i>		5 UG1 CA189974 03		25,118	25,118
<i>Pass-Through from Oregon Health Sciences University</i>		9009627-UTXHSCSA		40,354	40,354
<i>Pass-Through from Oregon Health Sciences University</i>		SWOG PSA		132,502	132,502
<i>Pass-Through from PLx Opco, Inc.</i>		2R42CA171408-02A1		68,239	68,239
<i>Pass-Through from PLx Pharma, Inc.</i>		2 R42 CA171408-02A1		2,279	2,279
<i>Pass-Through from Radiation Therapy Oncology Group</i>		RTOG1308		20,670	20,670
<i>Pass-Through from Southwest Oncology Group</i>		1479046424		948	948
<i>Pass-Through from Sri International</i>		138-000026		7	7
<i>Pass-Through from St. Jude Children's Research Hospital</i>		2 U24 CA055727-23		111,129	111,129
<i>Pass-Through from St. Jude Children's Research Hospital</i>		4 U24 CA055727 22		88,621	88,621
<i>Pass-Through from Standard Imaging, Inc.</i>		5 R44 CA153824 03		(53,878)	(53,878)
<i>Pass-Through from Stanford University</i>		5 R01CA188298 02		9,876	9,876
<i>Pass-Through from Targazyme, Inc.</i>		1R44CA192601-01A1		284,725	284,725
<i>Pass-Through from Translational Genomics Research Institute</i>		5106756		4,007	4,007
<i>Pass-Through from University of California - San Diego</i>		1 R01 CA197059 01		1,187	1,187
<i>Pass-Through from University of California - San Diego</i>		1 R01 CA200574 01A1		143,045	143,045
<i>Pass-Through from University of California - San Diego</i>		4 P01 CA081534 16		736,636	736,636
<i>Pass-Through from University of California - San Diego</i>		5P01CA081534-11		(34,095)	(34,095)
<i>Pass-Through from University of Cincinnati</i>		5R01CA168815-05		8,447	8,447
<i>Pass-Through from University of Colorado - Denver</i>		5R01CA20081702		20,482	20,482
<i>Pass-Through from University of Florida</i>		1R01CA200867		17,385	17,385
<i>Pass-Through from University of Maryland - Baltimore</i>		5R01CA187416-02		192,215	192,215
<i>Pass-Through from University of Michigan</i>		R01CA166033R		1,422	1,422
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		1R01CA204136-01A1		37,780	37,780
<i>Pass-Through from University of Oklahoma</i>		7R01 CA157481 05		17,486	17,486
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		20141429		3,073	3,073
<i>Pass-Through from University of Pennsylvania</i>		5R01CA197332-02		49,027	49,027
<i>Pass-Through from University of Rochester</i>		5 R01 CA159013 03		45,413	45,413
<i>Pass-Through from University of Utah</i>		5R01MD010362		15,805	15,805
<i>Pass-Through from University of Virginia</i>		1 R01 CA168712 03		258,475	258,475
<i>Pass-Through from Wake Forest University Health Sciences</i>		R01 CA074145 02		79,214	79,214
<i>Pass-Through from Wntrix, Inc.</i>		1 R41 CA213479-01A1		1,129	1,129
<i>Pass-Through from Wntrix, Inc.</i>		1R41CA213479-01		2,652	2,652
Total - CFDA 93.395			3,690,211	39,468,691	43,158,902
Cancer Biology Research	93.396		1,609,253	21,059,084	22,668,337
<i>Pass-Through from Baylor College of Medicine</i>		4R01CA112403-10		4,274	4,274
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA181808 03		64,370	64,370
<i>Pass-Through from Baylor College of Medicine</i>		5R01CA183252-02		4,492	4,492
<i>Pass-Through from Baylor College of Medicine</i>		5R01CA19346602		46,211	46,211
<i>Pass-Through from Cedars - Sinai Medical Center</i>		5P01CA098912-13		32,510	32,510
		1338442			
<i>Pass-Through from Emory University</i>		5R01CA17478604		17,469	17,469
<i>Pass-Through from George Washington University</i>		1R01CA20480601A1		28,536	28,536

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Georgia Institute of Technology</i>		R01 CA163481		(4,032)	(4,032)
<i>Pass-Through from H. Lee Moffitt Cancer Center and Research Institute</i>		5U01CA151924-05		(1,559)	(1,559)
<i>Pass-Through from Karolinska Institutet</i>		H2126003		35,151	35,151
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		5 P01 CA094060-13		43,358	43,358
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		BD521707		64,571	64,571
<i>Pass-Through from Methodist Hospital Research Institute</i>		7 R01 CA193213 02		31,992	31,992
<i>Pass-Through from National Cancer Institute</i>		4 R01 CA157880 05		296,877	296,877
<i>Pass-Through from National Cancer Institute</i>		5 P01 CA117969 12		781,791	781,791
<i>Pass-Through from Northshore University Healthsystem</i>		EH14-243-S1 (CARRYFORWARD)		84,984	84,984
<i>Pass-Through from Northshore University Healthsystem</i>		EH14-243-S1 02 (WEXT CRRYFWD)		59,313	59,313
<i>Pass-Through from Northwestern University</i>		60032272UTHSC/R01 CA1		(3,597)	(3,597)
<i>Pass-Through from Ohio State University</i>		60039839/R21CA175875		(3,891)	(3,891)
<i>Pass-Through from Ohio State University</i>		60059987		192,400	192,400
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG1306		1,691	1,691
<i>Pass-Through from Stony Brook University</i>		67960		29,818	29,818
<i>Pass-Through from The Scripps Research Institute</i>		5 R01 CA117638 13		88,062	88,062
<i>Pass-Through from University of Alabama - Birmingham</i>		000511425- 001/7R21CA		47,063	47,063
<i>Pass-Through from University of Connecticut Health Center</i>		R01CA188025		28,860	28,860
<i>Pass-Through from University of Michigan</i>		1 R01 CA204969-01A1		21,705	21,705
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		5R01CA203108-03		173,880	173,880
<i>Pass-Through from University of Pittsburgh</i>		R01CA2418		20,217	20,217
<i>Pass-Through from University of Washington</i>		1 R0 CA178383 03		10,972	10,972
<i>Pass-Through from William Marsh Rice University</i>		1R21CA209941-01		65,717	65,717
<i>Pass-Through from William Marsh Rice University</i>		4 UH3 CA189910 03		57,078	57,078
<i>Pass-Through from William Marsh Rice University</i>		5 R01 CA180279 03		150,489	150,489
<i>Pass-Through from William Marsh Rice University</i>		R22532 R01CA180279		8,121	8,121
<i>Pass-Through from Yale University</i>		5 R01 CA126801 06		(7,083)	(7,083)
Total - CFDA 93.396			1,609,253	23,530,894	25,140,147
Cancer Centers Support Grants	93.397		1,759,196	32,783,269	34,542,465
<i>Pass-Through from Case Western Reserve University</i>		5P50CA150964 05		398	398
<i>Pass-Through from Case Western Reserve University</i>		PAR-14-353		66,224	66,224
<i>Pass-Through from Columbia University</i>		1(GG010188-09)		48,829	48,829
<i>Pass-Through from Cornell University</i>		1 U54 CA210184 01		129,709	129,709
<i>Pass-Through from Indiana University</i>		1U54CA196519-01		1,399	1,399
<i>Pass-Through from Indiana University</i>		5U54CA19651902		85,780	85,780
<i>Pass-Through from Indiana University - School of Medicine</i>		IN4681935UTSW		273,820	273,820
<i>Pass-Through from Johns Hopkins University</i>		3 P50 DE019032 14		22,887	22,887
<i>Pass-Through from Johns Hopkins University</i>		5 U54 CA151838 05		(13,838)	(13,838)
<i>Pass-Through from Methodist Hospital Research Institute</i>		1 U54 CA 210181 01		32,338	32,338
<i>Pass-Through from Methodist Hospital Research Institute</i>		1 U54 CA210181 01		105,863	105,863
<i>Pass-Through from Methodist Hospital Research Institute</i>		18030028-158		5,208	5,208
<i>Pass-Through from Methodist Hospital Research Institute</i>		18030033-157		116,150	116,150
<i>Pass-Through from Methodist Hospital Research Institute</i>		1U54CA210181-01		11,689	11,689
<i>Pass-Through from Methodist Hospital Research Institute</i>		1U54CA210181-01 REV		2,479	2,479
<i>Pass-Through from Methodist Hospital Research Institute</i>		5 U54 CA143837 07		(52,370)	(52,370)
<i>Pass-Through from Ohio State University</i>		5 P50 CA168505 04		496,733	496,733
<i>Pass-Through from Sarcoma Alliance for Research Through Collaboration</i>		1 U54 CA168512-01		23	23

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Sarcoma Alliance for Research Through Collaboration</i>		5U54CA168512-03		7,750	7,750
<i>Pass-Through from Sarcoma Alliance for Research Through Collaboration</i>		5U54CA168512-05		7,430	7,430
<i>Pass-Through from University of Utah</i>		10042817-UOT-P2-05		51,955	51,955
<i>Pass-Through from University of Utah</i>		1U54CA209978-01		7,201	7,201
Total - CFDA 93.397			1,759,196	34,190,926	35,950,122
Cancer Research Manpower	93.398		142,688	8,165,404	8,308,092
<i>Pass-Through from Baylor College of Medicine</i>		5 R25 CA160078 04		(26,806)	(26,806)
<i>Pass-Through from Brown University</i>		00000942		14,601	14,601
<i>Pass-Through from Mount Sinai Medical Center</i>		5 K07 CA124668 06		(7,877)	(7,877)
<i>Pass-Through from Oregon Health Sciences University</i>		1002074/R25CA158571		(635)	(635)
<i>Pass-Through from University of Colorado</i>		FY17 301 004		5,827	5,827
<i>Pass-Through from University of Puerto Rico</i>		1 K22 CA166226 01A1		230	230
Total - CFDA 93.398			142,688	8,150,744	8,293,432
Cancer Control	93.399			(25,254)	(25,254)
<i>Pass-Through from Frontier Science and Technology Research Foundation</i>		3U10CA037403-28S1		(79)	(79)
<i>Pass-Through from Mayo Clinic</i>		5 U01 CA114609 05		468	468
<i>Pass-Through from Mayo Clinic</i>		5 U10 CA149950 03		(12,148)	(12,148)
<i>Pass-Through from Nsabp</i>		5 U10 CA037377 22		14,234	14,234
<i>Pass-Through from Washington University - St. Louis</i>		4 P50 CA094056 16		521,064	521,064
<i>Pass-Through from Washington University - St. Louis</i>		P50CA094056-15		(86,481)	(86,481)
Total - CFDA 93.399			0	411,804	411,804
ACL Centers for Independent Living	93.432			42,207	42,207
<i>Pass-Through from Tirr Memorial Hermann</i>		90TT0001			
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433			736,002	736,002
<i>Pass-Through from Baylor Research Institute</i>		90IF0091-01-00		27,438	27,438
<i>Pass-Through from Baylor Research Institute</i>		90IF0106-02-00		24,364	24,364
<i>Pass-Through from Memorial Hermann Health System</i>		1628-17		49,631	49,631
<i>Pass-Through from Tirr Memorial Hermann</i>		90DP0026		48,755	48,755
<i>Pass-Through from Tirr Memorial Hermann</i>		H133A120008			
<i>Pass-Through from Tirr Memorial Hermann</i>		90DP0075-02-00		30,302	30,302
<i>Pass-Through from Tirr Memorial Hermann</i>		90S15027-01-00		3,120	3,120
<i>Pass-Through from Tirr Memorial Hermann</i>		90S15027-01-00		9,801	9,801
<i>Pass-Through from University of Wisconsin - Milwaukee</i>		90IF0083-02-00		14,048	14,048
Total - CFDA 93.433			0	943,461	943,461
Indian Self-Determination	93.441				
<i>Pass-Through from Northwest Portland Area Indian Health Board</i>		248-96-0011 #C16-10		27,126	27,126
Ruminant Feed Ban Support Project	93.449			184,127	184,127
ACL Assistive Technology	93.464		101,187	851,741	952,928
Centers for Disease Control and Prevention - Affordable Care Act (ACA) - Communities Putting Prevention to Work	93.520			587	587
<i>Pass-Through from Eastern Virginia Medical School</i>		S270141-24		(224,304)	(224,304)
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		8000002529		10,499	10,499
Total - CFDA 93.520			0	(213,218)	(213,218)

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
Affordable Care Act (ACA) Childhood Obesity Research Demonstration	93.535		28,135	76,345	104,480
Transitional Living for Homeless Youth <i>Pass-Through from University of Illinois</i>	93.550	2014-00721-03-00		9,182	9,182
Temporary Assistance for Needy Families	93.558			127,482	127,482
Child Care and Development Block Grant <i>Pass-Through from University of Arizona</i>	93.575	320227		550	550
				7,156	7,156
Total - CFDA 93.575			0	7,706	7,706
Head Start <i>Pass-Through from City of San Antonio</i>	93.600	DTC-6326-2016 COSA		11,691	11,691
Health Care Innovation Awards (HCIA)	93.610			16,399	16,399
Developmental Disabilities Basic Support and Advocacy Grants	93.630		52,733	380,189	432,922
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		10,000	615,474	625,474
Children's Justice Grants to States <i>Pass-Through from Children's Advocacy Centers of Texas, Inc.</i>	93.643	UTA15-001167	17,322	125,573	142,895
Social Services Research and Demonstration <i>Pass-Through from Northwestern University</i>	93.647	SP0029295- PROJ0008248		3,836	3,836
Accountable Health Communities	93.650			36,239	36,239
Trans-NIH Recovery Act Research Support <i>Pass-Through from Advanced Targeting Systems</i>	93.701	IRC3CA150822		(258,254)	(258,254)
<i>Pass-Through from American College of Radiology</i>		5 RC2 CA148190 02		837	837
<i>Pass-Through from Emmes Corporation</i>		1 U01 NS026835-01A1		(119,876)	(119,876)
<i>Pass-Through from John Wayne Cancer Institute</i>		5 P01 CA029605 29		6,893	6,893
				(2,300)	(2,300)
Total - CFDA 93.701			0	(372,700)	(372,700)
Recovery Act Comparative Effectiveness Research - AHRQ <i>Pass-Through from Massachusetts General Hospital</i>	93.715	ARRA 217197/1R01HS01		(12,037)	(12,037)
				(828)	(828)
Total - CFDA 93.715			0	(12,865)	(12,865)
ARRA - Health Information Technology Professionals in Health Care	93.721			121,858	121,858
			253,145	206,929	460,074
Total - CFDA 93.721			253,145	328,787	581,932
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757			199,493	199,493
Children's Health Insurance Program <i>Pass-Through from University of Alabama - Birmingham</i>	93.767	7500515		28,862	28,862
Medical Assistance Program <i>Pass-Through from City of San Antonio</i>	93.778	PO# 4500413613		22,155	22,155
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779			124,617	124,617

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
Partner support for heart disease and stroke prevention	93.814				
<i>Pass-Through from American Heart Association</i>		104923		6,557	6,557
<i>Pass-Through from American Heart Association</i>		P79152		1,640	1,640
Total - CFDA 93.814			0	8,197	8,197
Cardiovascular Diseases Research	93.837		6,900,492	35,194,737	42,095,229
<i>Pass-Through from Adient Medical, Inc.</i>		1R44HL127734-01		27,737	27,737
<i>Pass-Through from Augusta University</i>		24039-1/P01 HL095499		1,678	1,678
<i>Pass-Through from Augusta University</i>		24039-2/1 P01 HL0954		10,224	10,224
<i>Pass-Through from Augusta University</i>		27616-3		9,974	9,974
<i>Pass-Through from Augusta University</i>		2R25HL106365-06		24,030	24,030
<i>Pass-Through from Baylor College of Medicine</i>		101828048		(10,723)	(10,723)
<i>Pass-Through from Baylor College of Medicine</i>		5601072527 (R01HL086392)		30,589	30,589
<i>Pass-Through from Baylor College of Medicine</i>		7000000131		165,259	165,259
<i>Pass-Through from Baylor College of Medicine</i>		7000000136		128,133	128,133
<i>Pass-Through from Baylor College of Medicine</i>		HHSN268201100006C		164,648	164,648
<i>Pass-Through from Children's Hospital of Philadelphia</i>		1 U01 HL 125295 01A1		4,357	4,357
<i>Pass-Through from Clemson University</i>		1934-209-2011657		16,007	16,007
<i>Pass-Through from Cleveland Clinic Lerner College of Medicine</i>		5 R01 HL103552 04		(4,949)	(4,949)
<i>Pass-Through from Dartmouth College</i>		R907/R01HL137157		13,741	13,741
<i>Pass-Through from Duke Clinical Research Institute</i>		1R01HL10585301		1,306	1,306
<i>Pass-Through from Duke University</i>		5R01HL118189-05		86,579	86,579
<i>Pass-Through from Georgia Institute of Technology</i>		R01HL124417		54,639	54,639
<i>Pass-Through from Georgia Tech Research Corporation</i>		RG882-G1		11,400	11,400
<i>Pass-Through from Georgia Tech Research Corporation</i>		RG882-G1 (CREDIT REQUEST)		74,977	74,977
<i>Pass-Through from Integris Baptist Medical Center, Inc.</i>		1R21HL115601-01		6,740	6,740
<i>Pass-Through from Johns Hopkins University</i>		2002969637		102,658	102,658
<i>Pass-Through from Kaiser Foundation Research Institute</i>		1R56HL125423-01A1		53,603	53,603
<i>Pass-Through from Kaiser Foundation Research Institute</i>		R01HL122658-03 / 200103-07		23,706	23,706
<i>Pass-Through from Massachusetts General Hospital</i>		5U01HL123336-03		118,483	118,483
<i>Pass-Through from Massachusetts General Hospital</i>		5-U01-HL23336-02		26,219	26,219
<i>Pass-Through from Massachusetts General Hospital</i>		SITE 31473 A5332 / 3		2,284	2,284
<i>Pass-Through from Mayo Clinic</i>		TSA- 222379/K23HL128859-		999	999
<i>Pass-Through from Medical College of Wisconsin</i>		4R01HL111392-05		20,108	20,108
<i>Pass-Through from Medical College of Wisconsin</i>		5R01HL111392-03		(90)	(90)
<i>Pass-Through from Medical University of South Carolina</i>		5 R21 HL090598 02		(2,547)	(2,547)
<i>Pass-Through from Methodist Hospital Research Institute</i>		5R01HL132155-02		98,835	98,835
<i>Pass-Through from Mount Sinai School of Medicine</i>		4R01HL073387-12		54,382	54,382
<i>Pass-Through from Mount Sinai School of Medicine</i>		5R01HL073387-10		(2,497)	(2,497)
<i>Pass-Through from National Cancer Institute</i>		1R01HL132397-01A1		17,130	17,130
<i>Pass-Through from National Development and Research Institutes, Inc.</i>		R34HL125790 / # 651B		41,953	41,953
<i>Pass-Through from National Institutes of Health</i>		1R43HL137487-01		21,399	21,399
<i>Pass-Through from New England Research Institutes</i>		U01 HL68270		9,131	9,131
<i>Pass-Through from New England Research Institutes</i>		U01HL107407		4,216	4,216
<i>Pass-Through from New England Research Institutes</i>		U10HL068270 03		22,278	22,278
<i>Pass-Through from New York Medical College</i>		5P01034300-30		(11,602)	(11,602)
<i>Pass-Through from Northern California Institute - Research and Education</i>		1R01HL114563-01A1		8,310	8,310
<i>Pass-Through from Northern California Institute - Research and Education</i>		1-R01-HL14563-01A1		18,304	18,304
<i>Pass-Through from Northwestern University</i>		R01HL120725		12,346	12,346

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Ohio State University</i>		1R01HL119648		165,855	165,855
<i>Pass-Through from Oklahoma Medical Research Foundation</i>		1R01HL131652-01A1		67,662	67,662
<i>Pass-Through from Oregon Health Sciences University</i>		1002681-UTA 3 (WEXT)		31,435	31,435
<i>Pass-Through from Oregon Health Sciences University</i>		1002681-UTA 4		21,419	21,419
<i>Pass-Through from Prolude Medical</i>		R43HL112369		134	134
<i>Pass-Through from Rti International</i>		5-3120212746-50717L		6,737	6,737
<i>Pass-Through from Rti International</i>		5U10HL11999104		9,419	9,419
<i>Pass-Through from Saint Louis University</i>		ERS# 40759		2,394	2,394
<i>Pass-Through from Small Molecule Ppi Mimics, LLC</i>		R41HL126346-TAMU		125,304	125,304
<i>Pass-Through from St. Jude Children's Research Hospital</i>		112141019-7718955		6,930	6,930
<i>Pass-Through from Stanford University</i>		61321495-123992		45,000	45,000
<i>Pass-Through from Tufts University</i>		HH4023 / 5R01HL085710-09		88,700	88,700
<i>Pass-Through from University of Alabama</i>		1U01HL120333801A1		23,203	23,203
<i>Pass-Through from University of Alabama</i>		5U01HL12033803		21,373	21,373
<i>Pass-Through from University of Alabama - Birmingham</i>		000505311-005		528	528
<i>Pass-Through from University of Alabama - Birmingham</i>		000506044 SP004-001		194	194
<i>Pass-Through from University of Alabama - Birmingham</i>		1P01 HL 136267-01		5,892	5,892
<i>Pass-Through from University of Alabama - Birmingham</i>		4UH3HL125163-02	7,850	32,962	40,812
<i>Pass-Through from University of Alabama - Birmingham</i>		5U01HL120338-03		(1,872)	(1,872)
<i>Pass-Through from University of California - San Diego</i>		5R00HL118215-03		42,965	42,965
<i>Pass-Through from University of California - San Francisco</i>		1U01HL134766-01		15,509	15,509
<i>Pass-Through from University of Cincinnati</i>		5R01HL118001-04		543,167	543,167
<i>Pass-Through from University of Florida</i>		R18HL112720		7,225	7,225
<i>Pass-Through from University of Iowa</i>		1001462796/R18HL1162		22,446	22,446
<i>Pass-Through from University of Iowa</i>		R18HL116259		24,040	24,040
<i>Pass-Through from University of Maryland - Baltimore</i>		10015214		7,060	7,060
<i>Pass-Through from University of Maryland - Baltimore</i>		5U01HL099997-07		25,693	25,693
<i>Pass-Through from University of Michigan</i>		3002038921/U01HL0943		3,249	3,249
<i>Pass-Through from University of Michigan</i>		5R01HL122684-03		80,459	80,459
<i>Pass-Through from University of Minnesota</i>		5R01HL116720-03		19,098	19,098
<i>Pass-Through from University of Mississippi Medical Center</i>		66105170517-UTSMC		713	713
<i>Pass-Through from University of Missouri</i>		C00048330-1		86,406	86,406
<i>Pass-Through from University of Nevada - Reno</i>		UNR-16- 20/R01HL12277		2,393	2,393
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		7R01HL11706304		8,862	8,862
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		S-33065/R01HL111664		106	106
<i>Pass-Through from University of Pennsylvania</i>		5UM1HL116886-03		14,889	14,889
<i>Pass-Through from University of Pittsburgh</i>		5R01HL128304-02		15,729	15,729
<i>Pass-Through from University of Rochester</i>		1R01HL123346		311,320	311,320
<i>Pass-Through from University of Rochester</i>		416676		5,936	5,936
<i>Pass-Through from University of Rochester</i>		R01HL098332		6,127	6,127
<i>Pass-Through from University of Toledo</i>		U01HL071556		536	536
<i>Pass-Through from University of Utah</i>		R01HL107241		25,459	25,459
<i>Pass-Through from University of Virginia</i>		5R01HL123627-03		54,649	54,649
<i>Pass-Through from University of Washington</i>		3U01HL07786306S1		1,873	1,873
<i>Pass-Through from University of Washington</i>		3U01HL077863-11S1 (UWSC8078)		688,004	688,004
<i>Pass-Through from University of Washington</i>		5R01HL103612-04 UWSC6253		3,000	3,000
<i>Pass-Through from University of Washington</i>		5R01HL105756-06		64,346	64,346
<i>Pass-Through from University of Washington</i>		5R01HL105756-06 UWSC8251		33,933	33,933
<i>Pass-Through from University of Washington</i>		5R01HL120393-04 UWSC8671		7,935	7,935

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from University of Washington</i>		5U01HL07786307		134,504	134,504
<i>Pass-Through from University of Washington</i>		5-U01-HL077863-10	251,610	78,521	330,131
<i>Pass-Through from University of Washington</i>		5U01HL077863-11		1,309,151	1,309,151
<i>Pass-Through from University of Washington</i>		5U01HL077863-11 (UWSC8078)		1,215,606	1,215,606
<i>Pass-Through from University of Washington</i>		5U01HL120393-04 UWSC 9710		2,867	2,867
<i>Pass-Through from University of Washington</i>		5U01HL120393- 04/UWSC7568		47,158	47,158
<i>Pass-Through from University of Washington</i>		681784/R01HL093146		(4,886)	(4,886)
<i>Pass-Through from University of Washington</i>		R01HL07888-08		1,011	1,011
<i>Pass-Through from University of Washington</i>		UWSC7365 BPO 10368		84,857	84,857
<i>Pass-Through from University of Washington</i>		UWSC7567 PO# BPO 23749		43,371	43,371
<i>Pass-Through from University of Wisconsin - Madison</i>		4R24EY022883		7,872	7,872
<i>Pass-Through from Wake Forest University Health Sciences</i>		R01HL111362 WFUHS 116846		16,537	16,537
<i>Pass-Through from Washington State University</i>		WU-14-211 -1		3,497	3,497
<i>Pass-Through from Washington University</i>		5R01HL111249-04		141,621	141,621
<i>Pass-Through from Washington University</i>		5R01HL118305-04		139,610	139,610
<i>Pass-Through from Washington University - St. Louis</i>		WU-11- 102/1R34HL1054		(1,403)	(1,403)
<i>Pass-Through from William Marsh Rice University</i>		1 R01 HL127260 01		315,574	315,574
<i>Pass-Through from William Marsh Rice University</i>		R22641		36,071	36,071
<i>Pass-Through from Windmill Cardiovascular Systems, Inc.</i>		R44HL127833		38,165	38,165
<i>Pass-Through from Windmill Cardiovascular Systems, Inc.</i>		UTA15-000462		7,886	7,886
<i>Pass-Through from Windmill Cardiovascular Systems, Inc.</i>		UTA16-000571		104,112	104,112
<i>Pass-Through from Yale University</i>		C17A12615 (A10660)		14,792	14,792
Total - CFDA 93.837			7,159,952	43,163,581	50,323,533
Lung Diseases Research	93.838		377,242	6,155,068	6,532,310
<i>Pass-Through from Baylor College of Medicine</i>		1R01HL12979401A1		29,922	29,922
<i>Pass-Through from Children's Hospital of Philadelphia</i>		3210920616		86,410	86,410
<i>Pass-Through from Columbus Nanoworks, Inc.</i>		M1503569		9,539	9,539
<i>Pass-Through from Duke University</i>		4U01HL110967-05		4,977	4,977
<i>Pass-Through from Duke University</i>		5U01HL110967		92	92
<i>Pass-Through from Exotect, LLC</i>		1 R41 HL136057-01		5,641	5,641
<i>Pass-Through from George Washington University</i>		2R01HL09835404		4,142	4,142
<i>Pass-Through from George Washington University</i>		2R01HL098354-04		10,965	10,965
<i>Pass-Through from George Washington University</i>		U01HL098354		3,776	3,776
<i>Pass-Through from National Jewish Health</i>		20072510/R01HL089897		47,196	47,196
<i>Pass-Through from University of California - San Francisco</i>		5U01HL094338-05 6971SC		5,724	5,724
<i>Pass-Through from University of Florida</i>		UFDSP00010180 00097563		54,093	54,093
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5 R01 HL097000 04		3,921	3,921
<i>Pass-Through from University of Pennsylvania</i>		4R01HL113988-05		28,810	28,810
<i>Pass-Through from University of Pennsylvania</i>		5R01HL113988		107	107
<i>Pass-Through from University of Wisconsin - Madison</i>		4P01HL088594-09		324,175	324,175
<i>Pass-Through from Vanderbilt University</i>		VUMC40492/R01HL11 11		(27,926)	(27,926)
Total - CFDA 93.838			377,242	6,746,632	7,123,874

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
Blood Diseases and Resources Research	93.839			3,405,033	3,405,033
<i>Pass-Through from Augusta University</i>		2R01HL069234-10		75,159	75,159
<i>Pass-Through from Baylor College of Medicine</i>		7000000060		88,111	88,111
<i>Pass-Through from Bloodcenter of Wisconsin</i>		5R01HL112614-04		563	563
<i>Pass-Through from Brown University</i>		00000627		111,712	111,712
<i>Pass-Through from Halcyon Biomedical, Inc.</i>		HB-UH-002		41,080	41,080
<i>Pass-Through from Methodist Hospital Research Institute</i>		7R21HL125018-02		18,497	18,497
<i>Pass-Through from National Marrow Donor Program</i>		210738		3,097	3,097
<i>Pass-Through from National Marrow Donor Program</i>		5 U01 HL069294 14		48,340	48,340
<i>Pass-Through from National Marrow Donor Program</i>		BMTCTN0102		43,086	43,086
<i>Pass-Through from New Health Sciences, Inc.</i>		HHSN268201300045C		(382)	(382)
<i>Pass-Through from University of Alabama - Birmingham</i>		HHSN268201300025C		132,329	132,329
<i>Pass-Through from Virginia Commonwealth University</i>		5P01HL10715207		499,237	499,237
<i>Pass-Through from Washington University - St. Louis</i>		1U01HL116383-01		6,476	6,476
Total - CFDA 93.839			0	4,472,338	4,472,338
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		662,594	4,870,855	5,533,449
<i>Pass-Through from Baylor College of Medicine</i>		4R01AR062056-06		24,759	24,759
<i>Pass-Through from Biomedical Development Corporation</i>		R41AG044960		(681)	(681)
<i>Pass-Through from Duke University</i>		HHSN272201100025C SITE 123		2,452	2,452
<i>Pass-Through from Exemplar Genetics, LLC</i>		DMD-04 2015 2	6,665	3,166	9,831
<i>Pass-Through from Florida Atlantic University</i>		CRK08/5R01AR06379 5-04		5,370	5,370
<i>Pass-Through from Indiana University - Purdue University</i>		1R01AR069657-01		8,947	8,947
<i>Pass-Through from Johns Hopkins University</i>		1R01AR064066/JHSPH		169	169
<i>Pass-Through from Nationwide Children's Hospital</i>		964016		191,273	191,273
<i>Pass-Through from Penn State Hershey Medical Center</i>		5U34AR067392-02		28,982	28,982
<i>Pass-Through from Southwest Research Institute</i>		K99005RI/R01AR0642 44		40,286	40,286
<i>Pass-Through from Torrey Pines Institute</i>		FY20141133UTM1/R0 1AR		(399)	(399)
<i>Pass-Through from University of California - San Francisco</i>		5UH2AR067688-02		3,824	3,824
<i>Pass-Through from University of Delaware</i>		5R01AR054385-09		40,079	40,079
<i>Pass-Through from University of Florida</i>		UFDSP000011654		46,121	46,121
<i>Pass-Through from University of Pittsburgh</i>		0052140 (128717-1)		4,712	4,712
<i>Pass-Through from Washington University</i>		WU-17-104 PO# 2928173C		21,346	21,346
Total - CFDA 93.846			669,259	5,291,261	5,960,520
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		3,039,877	51,285,722	54,325,599
<i>Pass-Through from Arizona State University</i>		4R01DK096488-05		27,055	27,055
<i>Pass-Through from Arizona State University</i>		5R01DK09648805		17,197	17,197
<i>Pass-Through from Augusta University</i>		25732- 14/3U24DK07616		1,611	1,611
<i>Pass-Through from Augusta University</i>		30835/25034-76		40,393	40,393
<i>Pass-Through from Baylor College of Medicine</i>		1R01DK111522-01		18,648	18,648
<i>Pass-Through from Baylor College of Medicine</i>		4P30DK056338-14		698	698
<i>Pass-Through from Baylor College of Medicine</i>		5P30DK056338-15		81,712	81,712
<i>Pass-Through from Baylor College of Medicine</i>		5U24DK097748 03		(480)	(480)
<i>Pass-Through from Baylor College of Medicine</i>		5U24DK097748-02		40,318	40,318
<i>Pass-Through from Baylor College of Medicine</i>		5U24DK097748-04		111,062	111,062
<i>Pass-Through from Baylor College of Medicine</i>		7000000225		66,322	66,322
<i>Pass-Through from Baylor College of Medicine</i>		7000000295		15,230	15,230
<i>Pass-Through from Broad Institute, Inc.</i>		5U01DK105554-02		21,605	21,605

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Case Western Reserve University</i>		1DP3DK104438		12,763	12,763
<i>Pass-Through from Case Western Reserve University</i>		2U01DK094157-07 REVI		25,204	25,204
<i>Pass-Through from Case Western Reserve University</i>		5U01DK094157-05		192,783	192,783
<i>Pass-Through from Case Western Reserve University</i>		5U01DX094157-04		(17,497)	(17,497)
<i>Pass-Through from Case Western Reserve University</i>		RES508616		10,875	10,875
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5U01DK66174-14 961815R		30,021	30,021
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5U01DK66174-15 962284R		39,019	39,019
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		5 R01 DK102759 03		6,370	6,370
<i>Pass-Through from Crinetics Pharmaceuticals, Inc.</i>		2R44DK088501-02A1		176	176
<i>Pass-Through from Duke University Medical Center</i>		4P01DK058398-15		1,082,449	1,082,449
<i>Pass-Through from George Washington University</i>		12-D15		1,293	1,293
<i>Pass-Through from George Washington University</i>		13-D12		(6,534)	(6,534)
<i>Pass-Through from George Washington University</i>		15-D16/U01DK061230-14		182,845	182,845
<i>Pass-Through from George Washington University</i>		4U01DK098246-05		483,462	483,462
<i>Pass-Through from George Washington University</i>		S-GRD1516-AC34		8,955	8,955
<i>Pass-Through from George Washington University</i>		S-GRD1617-LL33/U01DK	55,299	283,934	339,233
<i>Pass-Through from George Washington University</i>		U01DK098246-06		30	30
<i>Pass-Through from Georgia State University</i>		2U24DK076169-11		82,667	82,667
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		2U54DK08390908		203,017	203,017
<i>Pass-Through from Indiana University</i>		IN4685565UTHSC/R01 DK		(24)	(24)
<i>Pass-Through from J. David Gladstone Institutes</i>		R02240-A		4,179	4,179
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		5U01DK082916-07		4,772	4,772
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		5U01K082916-09		28,400	28,400
<i>Pass-Through from Joslin Diabetes Center</i>		1987203-17		267,647	267,647
<i>Pass-Through from Joslin Diabetes Center</i>		1UC4DK101108 01 REVI		(3)	(3)
<i>Pass-Through from Maine Medical Center</i>		1R24DK106743-01		401,122	401,122
<i>Pass-Through from Maine Medical Center</i>		5R24DK092759-06		29,074	29,074
<i>Pass-Through from Maine Medical Center</i>		OXBURH R24-03		278,569	278,569
<i>Pass-Through from Massachusetts General Hospital</i>		227523		111,409	111,409
<i>Pass-Through from Massachusetts General Hospital</i>		5U01DK078616-10		47	47
<i>Pass-Through from National Cancer Institute</i>		5 P30 DK056338 15		2,636	2,636
<i>Pass-Through from National Institutes of Health</i>		1R42DK108305-01		91,567	91,567
<i>Pass-Through from Northwestern University Medical School</i>		1R01DK101730		27,979	27,979
<i>Pass-Through from Palo Alto Veterans Institute for Research</i>		PAO0008-01/R01DK103758		111,877	111,877
<i>Pass-Through from Pennington Biomedical Research Center</i>		DK092587-50338-S01		5,805	5,805
<i>Pass-Through from Pennsylvania State University</i>		4R01DK095078-04/UTXDK095078		3,222	3,222
<i>Pass-Through from Pennsylvania State University</i>		UTXSADK082183/U01 DK082183		18,968	18,968
<i>Pass-Through from Purdue University</i>		4102-77894		113,311	113,311
<i>Pass-Through from St. Jude Children's Research Hospital</i>		5R01DK092318 05		77,689	77,689
<i>Pass-Through from Stanford University</i>		60264428-108299-B		(1,119)	(1,119)
<i>Pass-Through from Stemmed, Ltd.</i>		1R42DK104494-01A1		63,608	63,608
<i>Pass-Through from Texas Biomedical Research Institute</i>		14-4318 002		151	151
<i>Pass-Through from Tufts Medical Center, Inc.</i>		5008764-SERV		36,565	36,565
<i>Pass-Through from Tufts Medical Center, Inc.</i>		5-U01-DK098245-03		91,219	91,219
<i>Pass-Through from Tufts Medical Center, Inc.</i>		5U01DK09824505		22,878	22,878

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Tulane University</i>		TUL-HSC-553789-15/16		87,766	87,766
<i>Pass-Through from University of Alabama - Birmingham</i>		R01 DK082548		271	271
<i>Pass-Through from University of Arkansas for Medical Sciences</i>		50022/R21DK097470		(16)	(16)
<i>Pass-Through from University of California - Davis</i>		5 R01 DK056839 10		1,443	1,443
<i>Pass-Through from University of California - Davis</i>		5 R01 DK091823 04		(418)	(418)
<i>Pass-Through from University of California - Merced</i>		10021598		27,320	27,320
<i>Pass-Through from University of California - San Francisco</i>		1R01DK11226801		32,289	32,289
<i>Pass-Through from University of Colorado - Denver</i>		1R01DK109574-01A1		105,959	105,959
<i>Pass-Through from University of Colorado - Denver</i>		5R01DK082509-05		9,000	9,000
<i>Pass-Through from University of Florida</i>		1R01DK105346 01A1		31,625	31,625
<i>Pass-Through from University of Illinois</i>		4R01DK015556-46		109,691	109,691
<i>Pass-Through from University of Iowa</i>		1R21DK096327-01		728	728
<i>Pass-Through from University of Michigan</i>		3U01DK082863-09S1		17,583	17,583
<i>Pass-Through from University of Michigan</i>		5U01DK065184-13		1,409	1,409
<i>Pass-Through from University of Michigan</i>		U54DK083912		(5,600)	(5,600)
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		3R01DK095962-02S1		38,591	38,591
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5105778		228,555	228,555
<i>Pass-Through from University of Pennsylvania</i>		# 564083		2,674	2,674
<i>Pass-Through from University of Pennsylvania</i>		5 U01 DK103225 03		46,028	46,028
<i>Pass-Through from University of Pittsburgh</i>		0048553 (127065-4)		11,729	11,729
<i>Pass-Through from University of South Florida</i>		1UC4DK097835		131,607	131,607
<i>Pass-Through from University of South Florida</i>		1UC4DK106993-01		149,189	149,189
<i>Pass-Through from University of South Florida</i>		AGR #6119-1295-00		28,268	28,268
<i>Pass-Through from University of Utah</i>		5 R01 DK090046 04		(4,028)	(4,028)
<i>Pass-Through from University of Utah</i>		5R01DK097007-03		21,215	21,215
<i>Pass-Through from University of Wisconsin - Madison</i>		5R01DK100651-03		93,205	93,205
<i>Pass-Through from Virginia Commonwealth University</i>		1R01DK094818-01A1		42,078	42,078
<i>Pass-Through from Virginia Commonwealth University</i>		FP00001115- SA002/R01DK107		17,011	17,011
<i>Pass-Through from Vitalquan, LLC</i>		4R44DK105619-02		145,088	145,088
Total - CFDA 93.847			3,095,176	57,510,733	60,605,909
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		1,518,757	46,175,767	47,694,524
<i>Pass-Through from Advanced Powder Solutions, Inc.</i>		W81XWH-12-C-0181		(1)	(1)
<i>Pass-Through from Amprion, Inc.</i>		2SB1NS079060-04		414,668	414,668
<i>Pass-Through from Astrocyte Pharmaceuticals, Inc.</i>		R41 NS093756-01		68,843	68,843
<i>Pass-Through from Asuragen, Inc.</i>		200074		68,787	68,787
		2R44NS089423-02			
<i>Pass-Through from Athersys, Inc.</i>		5U44NS077511-03		13,097	13,097
<i>Pass-Through from Augusta University</i>		1R56NS095215-01		2,379	2,379
<i>Pass-Through from Augusta University</i>		29073-1/R01NS088058-03		94,270	94,270
<i>Pass-Through from Augusta University</i>		29457-10/R01NS090083		1,686	1,686
<i>Pass-Through from Baylor College of Medicine</i>		102040821-PRA DASH		5,170	5,170
<i>Pass-Through from Baylor College of Medicine</i>		5R01NS094535-02		154,354	154,354
<i>Pass-Through from Baylor College of Medicine</i>		5R25NS070694-07		2,476	2,476
<i>Pass-Through from Baylor College of Medicine</i>		5U01NS094368-02		249,062	249,062
<i>Pass-Through from Beth Israel Deaconess Medical Center</i>		U01NS074425		5,274	5,274
		MAGDY SELIM			
<i>Pass-Through from Boston Children's Hospital</i>		4U01NS082320-05		191,596	191,596
<i>Pass-Through from Boston Children's Hospital</i>		5U54NS092090-03(CRP TSC)		87,749	87,749

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Boston Children's Hospital</i>		5U54NS092090-03(TRAINING)		61,927	61,927
<i>Pass-Through from Boston Children's Hospital</i>		RSTFD0000695007		9,033	9,033
<i>Pass-Through from Boston University</i>		1U01NS090454-01		231,434	231,434
<i>Pass-Through from Boston University</i>		4500002216		30,391	30,391
<i>Pass-Through from Burke Cornell Medical Research Institute</i>		1R03NS091737		(2,803)	(2,803)
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5R01NS03857213		(544)	(544)
<i>Pass-Through from Children's Hospital of Philadelphia</i>		FP10921-A1- 04-01		40,338	40,338
<i>Pass-Through from Christopher and Dana Reeve Foundation</i>		CTN7-2015(DC)		3,069	3,069
<i>Pass-Through from Christopher and Dana Reeve Foundation</i>		CTN8-2016(DC)		47,863	47,863
<i>Pass-Through from Cleveland Clinic Lerner College of Medicine</i>		5R01NS089641-02		5,786	5,786
<i>Pass-Through from Columbia University</i>		1U54NS078059-01		(2,341)	(2,341)
<i>Pass-Through from Columbia University</i>		3(GG012194-01)		48,586	48,586
<i>Pass-Through from Georgia State University</i>		5 R01 NS073134 05		30,487	30,487
<i>Pass-Through from Illinois Institute of Technology</i>		1UG3NS095557-01A1		100,509	100,509
<i>Pass-Through from Johns Hopkins University</i>		1U01NS080824-01A1		91,898	91,898
<i>Pass-Through from Johns Hopkins University</i>		2000725876		(55,425)	(55,425)
<i>Pass-Through from Johns Hopkins University</i>		4R01NS076357-05 / 2003111003		30,303	30,303
<i>Pass-Through from Johns Hopkins University</i>		4U01NS080824-04 / 2003044879		41,824	41,824
<i>Pass-Through from Johns Hopkins University</i>		5U01NS062851-05		3,446	3,446
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		W81XWH-14-10620		48,884	48,884
<i>Pass-Through from Massachusetts General Hospital</i>		1-U01-NS077323-01		266,682	266,682
<i>Pass-Through from Massachusetts General Hospital</i>		1U01NS090259-01A1		28,799	28,799
<i>Pass-Through from Massachusetts General Hospital</i>		224002		10,974	10,974
<i>Pass-Through from Massachusetts General Hospital</i>		NN106-CYTO-C		4,102	4,102
<i>Pass-Through from Mayo Clinic</i>		5R01NS094124-02/UNI-		6,592	6,592
<i>Pass-Through from Mayo Clinic</i>		5U01NS080168-04		257	257
<i>Pass-Through from Mayo Clinic</i>		64836412		26,206	26,206
<i>Pass-Through from Mayo Clinic</i>		UNI-215972		140,445	140,445
<i>Pass-Through from Medical University of South Carolina</i>		MUSC15-105 1		3,252	3,252
<i>Pass-Through from Medical University of South Carolina</i>		MUSC15-105 PO 225774		(252)	(252)
<i>Pass-Through from Methodist Hospital Research Institute</i>		5R01NS08864502		15,121	15,121
<i>Pass-Through from Northwestern University</i>		60035591 UTSA		13,470	13,470
<i>Pass-Through from Northwestern University</i>		60043683 UTSA		79,913	79,913
<i>Pass-Through from Northwestern University</i>		HHSN272201200026C		245	245
<i>Pass-Through from Northwestern University</i>		U01NS080818		42,926	42,926
<i>Pass-Through from Partners Healthcare Research Management</i>		1U01NS090259-01		11,458	11,458
<i>Pass-Through from Pharmareview Corporation</i>		5R42NS090650-03		281,642	281,642
<i>Pass-Through from Research Foundation of Suny</i>		72198-1126636-2		84,113	84,113
<i>Pass-Through from Rutgers University</i>		R01NS38384		2,967	2,967
<i>Pass-Through from Southern Methodist University</i>		7R01NS040408		50,239	50,239
<i>Pass-Through from Tissuegen, Inc.</i>		1R43NS089341-01A1		49,869	49,869
<i>Pass-Through from University of Alabama - Birmingham</i>		000504190-001		39,779	39,779
<i>Pass-Through from University of Alabama - Birmingham</i>		000510297-007/1U01NS09259501		56,738	56,738
<i>Pass-Through from University of British Columbia</i>		F09-05964/U01NS03852		(15,204)	(15,204)
<i>Pass-Through from University of British Columbia</i>		SPS3-10-10/U01NS0385		(51)	(51)
<i>Pass-Through from University of California - Davis</i>		R01NS076856		59,520	59,520
<i>Pass-Through from University of California - Los Angeles</i>		1640GRB658/R01NS0657		14,675	14,675
<i>Pass-Through from University of California - San Francisco</i>		1U01NS09276401A1		24,290	24,290

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from University of California - San Francisco</i>		7173SC		13,320	13,320
<i>Pass-Through from University of California - San Francisco</i>		7895SC		126,514	126,514
<i>Pass-Through from University of California - San Francisco</i>		7898SC 3		(6,394)	(6,394)
<i>Pass-Through from University of California - San Francisco</i>		7898SC 5		136,714	136,714
<i>Pass-Through from University of California - San Francisco</i>		8149SC 03 (SUPP WEXT)		42,235	42,235
<i>Pass-Through from University of Cincinnati</i>		006883/1U01NS069763		29,818	29,818
<i>Pass-Through from University of Cincinnati</i>		010085-135177	23,684		23,684
<i>Pass-Through from University of Cincinnati</i>		010085-135732		5,167	5,167
<i>Pass-Through from University of Cincinnati</i>		5U01NS092076			
<i>Pass-Through from University of Cincinnati</i>		5R01NS047603-11 SAP#1011436		142,518	142,518
<i>Pass-Through from University of Cincinnati</i>		5U01NS06976302		872	872
<i>Pass-Through from University of Cincinnati</i>		5-U01-NS069763-05		11,157	11,157
<i>Pass-Through from University of Cincinnati</i>		5U01NS069763-05		18,061	18,061
<i>Pass-Through from University of Florida</i>		R21NS095166		6,658	6,658
<i>Pass-Through from University of Florida</i>		UF11071/R01NS07334 6		2,531	2,531
<i>Pass-Through from University of Kentucky Research Foundation</i>		3200000811-17-196		155,154	155,154
<i>Pass-Through from University of Massachusetts Medical School</i>		5R01NS07699105		59,108	59,108
<i>Pass-Through from University of Medicine and Dentistry - New Jersey</i>		5R01NS03838406		170	170
<i>Pass-Through from University of Miami</i>		665164		913	913
<i>Pass-Through from University of Miami</i>		668020/668021/U54NS 092091		12,697	12,697
<i>Pass-Through from University of Miami School of Medicine</i>		1-R01-NS084288-01A1		(500)	(500)
<i>Pass-Through from University of Miami School of Medicine</i>		662706		19,233	19,233
<i>Pass-Through from University of Michigan</i>		U01NS062091		27,596	27,596
<i>Pass-Through from University of Michigan</i>		U01NS062835		70,993	70,993
<i>Pass-Through from University of Michigan</i>		U01NS069498		64,362	64,362
<i>Pass-Through from University of Michigan</i>		U01NS088034-01		63,154	63,154
<i>Pass-Through from University of North Carolina</i>		5-33024		3,907	3,907
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5R21NS088152-02		136,789	136,789
<i>Pass-Through from University of Pennsylvania</i>		565257 3 PO #3669280		64,500	64,500
<i>Pass-Through from University of Pennsylvania</i>		567628		94,066	94,066
<i>Pass-Through from University of Pittsburgh</i>		1R01NS095884-01		36,190	36,190
<i>Pass-Through from University of Pittsburgh</i>		1R21NS094860-01A1		116,005	116,005
<i>Pass-Through from University of Pittsburgh</i>		2R01NS064022-06A1		16,123	16,123
<i>Pass-Through from University of Virginia</i>		4U01NS069498-06		72,733	72,733
<i>Pass-Through from University of Virginia</i>		5-U01-NS069498-04		625	625
<i>Pass-Through from University of Virginia</i>		5U01NS088034-02		41,058	41,058
<i>Pass-Through from Wake Forest University Health Sciences</i>		5R01NS082453-02		299,330	299,330
<i>Pass-Through from Wake Forest University Health Sciences</i>		WFUHS 112671		155,372	155,372
<i>Pass-Through from Wake Forest University Health Sciences</i>		WFUHS 115696		65,243	65,243
<i>Pass-Through from Washington University - St. Louis</i>		5R01NS06506908		21,163	21,163
<i>Pass-Through from Washington University - St. Louis</i>		5R01NS090934-21		8,739	8,739
<i>Pass-Through from Washington University - St. Louis</i>		WU-16-376		199,454	199,454
<i>Pass-Through from William Marsh Rice University</i>		R01NS081854		28,634	28,634
<i>Pass-Through from William Marsh Rice University</i>		R22261-M		53,474	53,474
<i>Pass-Through from William Marsh Rice University</i>		R22961		26,917	26,917
Total - CFDA 93.853			1,542,441	52,040,982	53,583,423
Allergy and Infectious Diseases Research	93.855		9,929,307	77,867,513	87,796,820
<i>Pass-Through from Baylor College of Medicine</i>		110480		171,970	171,970
<i>Pass-Through from Baylor College of Medicine</i>		3 P30 AI036211 20S1		3,395	3,395
<i>Pass-Through from Baylor College of Medicine</i>		3P30AI036211-20S1		(1,373)	(1,373)
<i>Pass-Through from Baylor College of Medicine</i>		4R01AI09877505		228,639	228,639

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Baylor College of Medicine</i>		5 P30 AI036211 17		(607)	(607)
<i>Pass-Through from Baylor College of Medicine</i>		5 P30 AI036211 19		(10)	(10)
<i>Pass-Through from Baylor College of Medicine</i>		5601083843		118,817	118,817
<i>Pass-Through from Baylor College of Medicine</i>		5R01AI09877503		31	31
<i>Pass-Through from Baylor College of Medicine</i>		70000000254		163,766	163,766
<i>Pass-Through from Baylor College of Medicine</i>		70000000275		60,487	60,487
<i>Pass-Through from Baylor College of Medicine</i>		HHSN272201300015I		228,107	228,107
<i>Pass-Through from Baylor College of Medicine</i>		PO70000000256		11,885	11,885
<i>Pass-Through from Baylor College of Medicine</i>		SHOPPING CART 102213220		450	450
<i>Pass-Through from Benaroya Research Institute at Virginia Mason</i>		1-UM1AI10956501		5,881	5,881
<i>Pass-Through from Benaroya Research Institute at Virginia Mason</i>		5UM1AI09565-03		38,223	38,223
<i>Pass-Through from Benaroya Research Institute at Virginia Mason</i>		5-UM1-AI109565-02		16,376	16,376
<i>Pass-Through from Benaroya Research Institute at Virginia Mason</i>		5UM1AI109565-04		3,222	3,222
<i>Pass-Through from Benaroya Research Institute at Virginia Mason</i>		FY16ITN106		536	536
<i>Pass-Through from Benaroya Research Institute at Virginia Mason</i>		ITN055AI		16,699	16,699
<i>Pass-Through from Biologics Resources, LLC</i>		5R01AI10517203		191,209	191,209
<i>Pass-Through from Boston University</i>		5R01AI09615905		(21,288)	(21,288)
<i>Pass-Through from Brandeis University</i>		4-01862		60,257	60,257
<i>Pass-Through from Brigham and Women's Hospital</i>		5UM1AI06863609		15,571	15,571
<i>Pass-Through from Brigham and Women's Hospital</i>		5UM1AI06863610		91,424	91,424
<i>Pass-Through from Brigham and Women's Hospital</i>		5UM1AI068636-11		340,105	340,105
<i>Pass-Through from Brown University</i>		00000747 5 R01AI108441-03PUR- 0020147-2		13,251	13,251
<i>Pass-Through from Case Western Reserve University</i>		5P01AI106705-03		405,670	405,670
<i>Pass-Through from Catholic University of America</i>		1R01AI11153801		113,922	113,922
<i>Pass-Through from Chrysalis Biotechnology, Inc.</i>		5R44AI08613505		153,756	153,756
<i>Pass-Through from Columbia University</i>		5R01AI121349102		126,604	126,604
<i>Pass-Through from Columbia University</i>		GG011896-20		71,185	71,185
<i>Pass-Through from Dartmouth College</i>		R862 - 5R21AI121820- 203		24,420	24,420
<i>Pass-Through from Duke University</i>		8448/UM1AI104681 2034060		33,199	33,199
<i>Pass-Through from Duke University</i>		2035354		208,929	208,929
<i>Pass-Through from Duke University</i>		5U19AI056363-10		104,961	104,961
<i>Pass-Through from Duke University</i>		5UM1AI104681-05 203 8455		10,158	10,158
<i>Pass-Through from Duke University</i>		UM1AI104681		17,179	17,179
<i>Pass-Through from Duke University Medical Center</i>		5U19AI05636307		2,539	2,539
<i>Pass-Through from Etubics Corporation</i>		5R01AI11136404		28,764	28,764
<i>Pass-Through from Family Health International</i>		UM1AI068619		371,455	371,455
<i>Pass-Through from Florida State University</i>		59-1961248		11,812	11,812
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		2UM1AI068614-08		14,062	14,062
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		5UM1AI068614-07		70	70
<i>Pass-Through from Fundacao De Desenvolvimento Da Pesquisa</i>		01/2012/P50AI098507		8,065	8,065
<i>Pass-Through from George Washington University</i>		5R01AI12556202		27,852	27,852
<i>Pass-Through from George Washington University</i>		5R21AI12384002		167,774	167,774
<i>Pass-Through from George Washington University</i>		5UM1AI068619-10 / 16-M70		102,065	102,065
<i>Pass-Through from George Washington University</i>				184,538	184,538

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from George Washington University</i>		5UM1AI069503-11		356,904	356,904
<i>Pass-Through from Georgia State University</i>		5U19AI10944505		188,159	188,159
<i>Pass-Through from Georgia State University</i>		5U19AI10966405		887,485	887,485
<i>Pass-Through from Georgia State University</i>		5U19AI10994505		195,046	195,046
<i>Pass-Through from Georgia State University</i>		7U19AI109664-04		168,416	168,416
<i>Pass-Through from Georgia State University</i>		7U19AI10994503		65,669	65,669
<i>Pass-Through from Georgia State University</i>		7U19AI10994504		640,392	640,392
<i>Pass-Through from Georgia State University</i>		SPA00012854-02		30,213	30,213
<i>Pass-Through from Georgia State University</i>		SPA00012854-04		111,701	111,701
<i>Pass-Through from Harvard Medical School</i>		149855 5070716 0302		261,243	261,243
<i>Pass-Through from Harvard University</i>		109669-5064867		173,727	173,727
<i>Pass-Through from Harvard University</i>		109669-5076477		106,844	106,844
<i>Pass-Through from Harvard University</i>		109708-5064873		191,801	191,801
<i>Pass-Through from Hawaii Biotech, Inc.</i>		5R44AI11801702		153,416	153,416
<i>Pass-Through from Health Research, Inc.</i>		5301-01		298,948	298,948
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		1R01AI12344901A1		102,411	102,411
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		1U19AI10966401		(4,167)	(4,167)
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		5R01AI05953610		(27)	(27)
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		5U19AI10994503		(7,004)	(7,004)
<i>Pass-Through from Institute for Clinical Research, Inc.</i>		1U01AI06864101		50,511	50,511
<i>Pass-Through from Institute for Clinical Research, Inc.</i>		U01-AI068641		69,441	69,441
<i>Pass-Through from J. Craig Venter Institute</i>		JCVI-16-003		27,883	27,883
<i>Pass-Through from Johns Hopkins University</i>		4R01AI10143105		268,468	268,468
<i>Pass-Through from Johns Hopkins University</i>		5U01AI109657-03		5,549	5,549
<i>Pass-Through from Johns Hopkins University</i>		5UM1AI068632-11		12,191	12,191
<i>Pass-Through from Johns Hopkins University</i>		UM1 AI068632		2,978	2,978
<i>Pass-Through from Kansas State University</i>		S16112		212	212
<i>Pass-Through from Kj Biosciences, LLC</i>		12012014		4,091	4,091
<i>Pass-Through from La Jolla Institute for Allergy and Immunology</i>		20015-88-312		28,717	28,717
<i>Pass-Through from La Jolla Institute for Allergy and Immunology</i>		24176-54-353		80,386	80,386
<i>Pass-Through from Lankenau Institute for Medical Research</i>		0628 -0327		82,316	82,316
<i>Pass-Through from Lankenau Institute for Medical Research</i>		06280-0327		68,858	68,858
<i>Pass-Through from Lucigen Corporation</i>		1R43AI12488901A1		100,729	100,729
<i>Pass-Through from Lucigen Corporation</i>		5R33AI10018205		20,470	20,470
<i>Pass-Through from Luminostics, Inc.</i>		110028		29,251	29,251
<i>Pass-Through from Lynntech, Inc.</i>		SRS REF # M1603255		63,801	63,801
<i>Pass-Through from Mapp Biopharmaceutical, Inc.</i>		2R44A108274403		252,444	252,444
<i>Pass-Through from Mapp Biopharmaceutical, Inc.</i>		5R01AI11139104		98,870	98,870
<i>Pass-Through from Mayo Clinic</i>		1 R01 AI0969967 03		(8,456)	(8,456)
<i>Pass-Through from Mayo Clinic</i>		4R01 AI096967 05		330,476	330,476
<i>Pass-Through from Methodist Hospital Research Institute</i>		1 R01 AI120749 01 A1		23,895	23,895
<i>Pass-Through from Methodist Hospital Research Institute</i>		11030003-151		60,111	60,111
<i>Pass-Through from Methodist Hospital Research Institute</i>		18050021-145		378,607	378,607
<i>Pass-Through from Methodist Hospital Research Institute</i>		1R01AI20749-01A1		39,261	39,261
<i>Pass-Through from Midwestern University - Downers Grove Campus</i>		11-1006-7116-5660		68	68
<i>Pass-Through from Molecular Express, Inc.</i>		2R44AI09477003A1		11,773	11,773
<i>Pass-Through from Mount Sinai School of Medicine</i>		0255-8461-4609		104,387	104,387
<i>Pass-Through from Mount Sinai School of Medicine</i>		1R21AI11930401		(499)	(499)
<i>Pass-Through from National Institute of Infectious Diseases</i>		5K23AI112477-03		162,351	162,351
<i>Pass-Through from Northrop Grumman Information Technology</i>		7500149867		3,942	3,942
<i>Pass-Through from Northwestern University</i>		11-1006-7116-5676		54,043	54,043
<i>Pass-Through from Northwestern University</i>		SPA0017209 60032623		164,215	164,215
<i>Pass-Through from Oak Crest Institute of Science</i>		5U19AI11304803		212,284	212,284
<i>Pass-Through from Oak Crest Institute of Science</i>		5U19AI11304804		540,143	540,143
<i>Pass-Through from Oregon State University</i>		P0 417 A-A		1,923	1,923
<i>Pass-Through from Paratus Diagnostics</i>		1R43AI131948		6,603	6,603

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Paratus Diagnostics</i>		UTA16-001318		65,682	65,682
<i>Pass-Through from Paratus Diagnostics</i>		UTA17-000291		41,821	41,821
<i>Pass-Through from Penn State University</i>		5 R01 AI090113 04		(4,152)	(4,152)
<i>Pass-Through from Penn State University</i>		5264-UTA-DHHS-0560		83,726	83,726
<i>Pass-Through from Pond Life Technologies, LLC</i>		UTA15-000101		651	651
<i>Pass-Through from Profectus Biosciences Incorporated</i>		5R01AI09881705		440,674	440,674
<i>Pass-Through from Protein Ai</i>		R44AI103983		372,322	372,322
<i>Pass-Through from Regents of the University of California - UCLA</i>		5R01AI1121360-02		202,241	202,241
<i>Pass-Through from Research Foundation of Suny</i>		1 R21 AI111129 01		14,956	14,956
<i>Pass-Through from Sano Chemicals</i>		M1602125		126,477	126,477
		(1R41AI22441-01A1)			
<i>Pass-Through from Sano Chemicals</i>		M1702260 02-412921		18,210	18,210
<i>Pass-Through from Southern Research Institute</i>		HHSN27200009		33,604	33,604
<i>Pass-Through from Stanford University</i>		5U01AI104342-05		37,005	37,005
<i>Pass-Through from Stanford University</i>		60600564-107582		51,714	51,714
<i>Pass-Through from Stanford University</i>		61539127-28291		51,453	51,453
<i>Pass-Through from State University of New York at Buffalo</i>		5R01AI078958		30,179	30,179
<i>Pass-Through from Stellenbosch University</i>		R01AI116039		173,252	173,252
<i>Pass-Through from Texas Biomedical Research Institute</i>		11-4332 002/1R01AI09		326	326
<i>Pass-Through from Texas Biomedical Research Institute</i>		16-04441 005 GONG		25,285	25,285
<i>Pass-Through from Texas Biomedical Research Institute</i>		16-04514 002		20,916	20,916
		NANDAMUDI			
<i>Pass-Through from Texas Biomedical Research Institute</i>		39801/P01AI048240		263,646	263,646
<i>Pass-Through from Texas Biomedical Research Institute</i>		N/A16-04441 005		25,285	25,285
		ADENIJI			
<i>Pass-Through from Texas Biomedical Research Institute</i>		PO		277,342	277,342
		50199/R01AI123434-01			
<i>Pass-Through from The Scripps Research Institute</i>		5U19AI110062704		7,005	7,005
<i>Pass-Through from The Scripps Research Institute</i>		5U19AI1100627-04		3,098	3,098
<i>Pass-Through from The Scripps Research Institute</i>		5U19AI10976202		20	20
<i>Pass-Through from The Scripps Research Institute</i>		5U19AI10976203		224,372	224,372
<i>Pass-Through from The Scripps Research Institute</i>		5U19AI10976204		61,935	61,935
<i>Pass-Through from The Scripps Research Institute</i>		PO #5-53062		44,544	44,544
<i>Pass-Through from Trustees of Indiana University</i>		5R01AI11063703		89,189	89,189
<i>Pass-Through from Tufts Medical Center, Inc.</i>		50009674-SERV /		8,418	8,418
		R21AI103905-02			
<i>Pass-Through from Tufts University</i>		1-R01-AI131656-01		73,082	73,082
<i>Pass-Through from Tufts University</i>		5R01AI121401-02		5,923	5,923
<i>Pass-Through from Tufts University</i>		7R21AI111317-02		98,476	98,476
<i>Pass-Through from Tulane University Medical Center</i>		5R01AI10462104		530,425	530,425
<i>Pass-Through from University of Alabama - Birmingham</i>		MSG-13 /		1,944	1,944
		R44AI096945			
<i>Pass-Through from University of California - Davis</i>		5R01AI12590202		206,656	206,656
<i>Pass-Through from University of California - San Diego</i>		54943859 S9000816		917,912	917,912
<i>Pass-Through from University of California - San Francisco</i>		# 9310SC		42,716	42,716
<i>Pass-Through from University of California - San Francisco</i>		1UM1AI110498-02		9,377	9,377
<i>Pass-Through from University of California - San Francisco</i>		5 UM1AI110498-03		2,689	2,689
<i>Pass-Through from University of Georgia</i>		7U19AI10994503		(291,524)	(291,524)
<i>Pass-Through from University of Hawaii - Manoa</i>		5R01AI11918502		85,188	85,188
<i>Pass-Through from University of Kansas Center for Research, Inc.</i>		1R01AI123351-01		119,595	119,595
<i>Pass-Through from University of Minnesota</i>		1R01AI13158601		48,987	48,987
<i>Pass-Through from University of North Carolina</i>		5R33AI098660-05		26,111	26,111
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5100614		1,177	1,177
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		RS20120975-02		9,733	9,733

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from University of Pennsylvania</i>		569199 - UNIV PENN		154,275	154,275
<i>Pass-Through from University of Pennsylvania</i>		5R01AI125524-02		135,380	135,380
<i>Pass-Through from University of Pennsylvania</i>		5R33AI105856-05		128,092	128,092
<i>Pass-Through from University of Pittsburgh</i>		5R01AI09543605		23,103	23,103
<i>Pass-Through from University of Tennessee</i>		7R21AI126755-02		52,056	52,056
<i>Pass-Through from University of Tennessee</i>		A15-0933-S002		147,924	147,924
<i>Pass-Through from University of Washington</i>		5R01AI09894305		113,017	113,017
<i>Pass-Through from University of Washington</i>		5R01AI10003703		14,039	14,039
<i>Pass-Through from University of Washington</i>		5R01AI11134103		8,477	8,477
<i>Pass-Through from University of Wisconsin - Madison</i>		1R01AI110617-01A1		5,351	5,351
<i>Pass-Through from University of Wisconsin - Madison</i>		1-UM1-AI11427-01		(32)	(32)
<i>Pass-Through from University of Wisconsin - Madison</i>		5UM1AI114271		546,238	546,238
<i>Pass-Through from University of Wisconsin - Madison</i>		5UM1AI114271-02		552	552
<i>Pass-Through from University of Wisconsin - Madison</i>		5UM1AI114271-03		280,523	280,523
<i>Pass-Through from University of Wisconsin - Madison</i>		5UM1AI114271-04		62,844	62,844
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		431911-19C63		4,919	4,919
<i>Pass-Through from Washington University - St. Louis</i>		5U19AI109725-03		790,444	790,444
<i>Pass-Through from Washington University - St. Louis</i>		5U19AI109725-04		627,450	627,450
<i>Pass-Through from Washington University - St. Louis</i>		WU-17-50		56,270	56,270
<i>Pass-Through from Washington University - St. Louis</i>		WU-17-51		154,400	154,400
<i>Pass-Through from Wayne State University</i>		WSU16040		44,643	44,643
<i>Pass-Through from William Marsh Rice University</i>		R22581		73,835	73,835
<i>Pass-Through from Yale University</i>		5R01AI08314607		76,841	76,841
<i>Pass-Through from Yale University</i>		5R01AI12120702		29,266	29,266
Total - CFDA 93.855			9,929,307	97,296,555	107,225,862
Microbiology and Infectious Diseases Research	93.856			(7,920)	(7,920)
<i>Pass-Through from Duke University</i>		5R01AI08952605		469	469
<i>Pass-Through from Northwestern University Medical School</i>		HHSN272201600016C		2,398	2,398
<i>Pass-Through from Profectus Biosciences Incorporated</i>		5R01AI09334604		367,927	367,927
<i>Pass-Through from University of Tennessee</i>		5R01AG049696-02		37,496	37,496
Total - CFDA 93.856			0	400,370	400,370
Biomedical Research and Research Training	93.859		3,112,230	73,894,145	77,006,375
<i>Pass-Through from Baylor College of Medicine</i>		5601142826		32,562	32,562
<i>Pass-Through from Baylor College of Medicine</i>		5T32GM00828028		35,106	35,106
<i>Pass-Through from Baylor College of Medicine</i>		7000000193		31,348	31,348
<i>Pass-Through from Baylor University</i>		32050268-01		25,589	25,589
<i>Pass-Through from Biolytic Lab Performance, Inc.</i>		R41GM121103		64,413	64,413
<i>Pass-Through from Boston University</i>		4500002045		68,791	68,791
<i>Pass-Through from Case Western Reserve University</i>		RES509568		53,156	53,156
<i>Pass-Through from Cersci Therapeutics, Inc.</i>		R43GM119596		29,754	29,754
<i>Pass-Through from Columbia University</i>		1(GG010211)		69,385	69,385
<i>Pass-Through from Cornell University</i>		68964-10332		114,645	114,645
<i>Pass-Through from East Carolina University</i>		A13-0179-S001		2,118	2,118
<i>Pass-Through from East Carolina University</i>		212798-ZHU			
<i>Pass-Through from East Carolina University</i>		A13-0179-S003-A01		8,572	8,572
<i>Pass-Through from Firebird Biomolecular Sciences, LLC</i>		UTA16-001343		66,395	66,395
<i>Pass-Through from Gfree Bio, LLC</i>		R41GM116300-UTX		62,555	62,555
<i>Pass-Through from Iowa State University</i>		UTA16-000721			
<i>Pass-Through from Iowa State University</i>		5R01GM088424		37,744	37,744
<i>Pass-Through from Johns Hopkins University</i>		2002879980/5R01GM050016-2		3,810	3,810

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Mayo Clinic</i>		4R01GM102282-04/THE-175999-04		106,977	106,977
<i>Pass-Through from Mercury Biomed, LLC</i>		UTA17-000723		12,769	12,769
<i>Pass-Through from National Cancer Institute</i>		7R01GM049245-24		9,014	9,014
<i>Pass-Through from Nimbic Systems, Inc.</i>		5R44GM09500507		47,020	47,020
<i>Pass-Through from North Dakota State University</i>		FAR0027126		79,572	79,572
<i>Pass-Through from Northwestern University</i>		5P01GM09697105		41	41
<i>Pass-Through from Northwestern University</i>		60034749 UTEP		(7)	(7)
<i>Pass-Through from Novuson Surgical, Inc.</i>		M1602889-1		89,679	89,679
<i>Pass-Through from Operational Technologies Corporation</i>		R44 GM101712		219,174	219,174
<i>Pass-Through from Penn State University</i>		5283-UTA-DHHS-3106		81,453	81,453
<i>Pass-Through from Princeton University</i>		0000090		132,126	132,126
<i>Pass-Through from Probetex, Inc.</i>		R43GM110837-01		(309)	(309)
<i>Pass-Through from Progenitec, Inc.</i>		2R44GM101776-02AL		24,130	24,130
<i>Pass-Through from Purdue University</i>		4102-63957		18,926	18,926
<i>Pass-Through from Radikal Therapeutics Incorporated</i>		2R44GM10050302A1		447,490	447,490
<i>Pass-Through from Research Foundation for the State University of New York</i>		R926252		6,060	6,060
<i>Pass-Through from Rochal Industries</i>		1R43GM114857-01		3,268	3,268
<i>Pass-Through from Rochal Industries</i>		UTA15-000100		3,426	3,426
<i>Pass-Through from St. Jude Children's Research Hospital</i>		1 P50 GM115279 02		118,551	118,551
<i>Pass-Through from Stanford University</i>		60325810-25996-C 2P01GM066275		135,216	135,216
<i>Pass-Through from Sunnybrook Research Institute</i>		5R01GM087285-06		104,400	104,400
<i>Pass-Through from The Scripps Research Institute</i>		R01GM118594		44,927	44,927
<i>Pass-Through from Tufts University</i>		HH4008		54,168	54,168
<i>Pass-Through from University of Arizona</i>		235475		32,648	32,648
<i>Pass-Through from University of California - Santa Barbara</i>		KK1762		22,287	22,287
<i>Pass-Through from University of Florida</i>		1R01GM117597-01		50,167	50,167
<i>Pass-Through from University of Idaho</i>		IMK050-SB-001		24,886	24,886
<i>Pass-Through from University of Iowa</i>		5R01GM035500-30		26,740	26,740
<i>Pass-Through from University of Iowa</i>		R01GM121458		87,919	87,919
<i>Pass-Through from University of Minnesota</i>		5R01GM05960416		10,633	10,633
<i>Pass-Through from University of Minnesota</i>		5R01GM09551605		208,108	208,108
<i>Pass-Through from University of Minnesota</i>		H005170501		69,972	69,972
<i>Pass-Through from University of North Carolina</i>		5104924/R01GM07033 5		34,741	34,741
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		2 R01 GM100919 05A1		54,370	54,370
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		4P01GM103723-04		182,070	182,070
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5032101/2R01GM0703 35		(531)	(531)
<i>Pass-Through from University of Notre Dame</i>		202235UTA		99,143	99,143
<i>Pass-Through from University of Oklahoma</i>		1R01GM107490-01A1NIH		196,773	196,773
<i>Pass-Through from University of Pennsylvania</i>		23-1352685		60,369	60,369
<i>Pass-Through from University of Pennsylvania</i>		565220		257,671	257,671
<i>Pass-Through from University of Pittsburgh</i>		0047882 (126884-5)		10,758	10,758
<i>Pass-Through from University of Pittsburgh</i>		R01GM049202		43,881	43,881
<i>Pass-Through from University of Pittsburgh</i>		R01GM114851		143,423	143,423
<i>Pass-Through from University of Utah</i>		1002753511M/P50GM0 82		233	233
<i>Pass-Through from University of Utah</i>		5 R01 GM104390 01		118,401	118,401
<i>Pass-Through from University of Washington</i>		5R01GM04272522		171,430	171,430
<i>Pass-Through from Vanderbilt University</i>		R01GM10430603		(72,774)	(72,774)
<i>Pass-Through from Vanderbilt University Medical Center</i>		5R01GM103859-04		150,932	150,932

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Vanderbilt University Medical Center</i>		5R01GM10430605		107,655	107,655
<i>Pass-Through from Vanderbilt University School of Medicine</i>		5R01GM115598-03		80,160	80,160
<i>Pass-Through from Washington University</i>		WU-13-255 PO 2917374W		91,066	91,066
<i>Pass-Through from William Marsh Rice University</i>		R01GM115857		9,247	9,247
<i>Pass-Through from William Marsh Rice University</i>		R22791		40,708	40,708
<i>Pass-Through from William Marsh Rice University</i>		R22891		116,209	116,209
<i>Pass-Through from Yale University</i>		M15A119467(A10650) YEAR 08(WEXT)		305,500	305,500
<i>Pass-Through from Yale University</i>		M15A11947 (A10307) 5U01GM087719-07		3,590	3,590
<i>Pass-Through from Yale University</i>		M15A11949 (A11096)		109,239	109,239
Total - CFDA 93.859			3,112,230	79,185,783	82,298,013
Child Health and Human Development Extramural Research	93.865		3,788,000	22,296,288	26,084,288
<i>Pass-Through from Arkansas Children's Hospital Research Institute</i>		034589		47,058	47,058
<i>Pass-Through from Auritec Pharmaceuticals, Inc.</i>		2R44HD07563603		81,224	81,224
<i>Pass-Through from Boston Children's Hospital</i>		5R01HD061336-04		3,906	3,906
<i>Pass-Through from Boston University</i>		201601991		7,385	7,385
<i>Pass-Through from Children's Hospital of Philadelphia</i>		2P01HD070454-07		90,490	90,490
<i>Pass-Through from Children's Hospital of Philadelphia</i>		8902360617		14,304	14,304
<i>Pass-Through from East Carolina University</i>		A17-0265-S001 213876		85,008	85,008
<i>Pass-Through from Eastern Virginia Medical School</i>		5R01HD08631303		240,609	240,609
<i>Pass-Through from Fast - Track Drugs and Biologics, LLC</i>		HHSN2750003		501,870	501,870
<i>Pass-Through from Florida State University</i>		R01832		134,424	134,424
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		R21HD089098 UTHSCSA/R21HD		4,619	4,619
<i>Pass-Through from George Washington University</i>		15-UHTX-16		43,861	43,861
<i>Pass-Through from George Washington University</i>		U010HD036801		33,987	33,987
<i>Pass-Through from George Washington University</i>		U10HD036801		51,698	51,698
<i>Pass-Through from George Washington University</i>		U10HD036802		100,006	100,006
<i>Pass-Through from Indiana University</i>		5R01HD074587-03		3,908	3,908
<i>Pass-Through from Magee - Women's Hospital of Upmc</i>		5 P01 HD075795 03		431,545	431,545
<i>Pass-Through from Medical College of Wisconsin</i>		4R01HD07578604		93,206	93,206
<i>Pass-Through from Medical University of South Carolina</i>		MUSC16-101-8B465 PO 257113		21,858	21,858
<i>Pass-Through from Noninvasix Incorporated</i>		1R43HD07555101		(26)	(26)
<i>Pass-Through from Northeastern University</i>		500515-78050		26,421	26,421
<i>Pass-Through from Oregon Health Sciences University</i>		1008991- UTHSCSA/R01 HD076		16,014	16,014
<i>Pass-Through from Regents of the University of Michigan</i>		3004274738		2,000	2,000
<i>Pass-Through from Rhode Island Hospital</i>		4R01HD072693-05		8,414	8,414
<i>Pass-Through from Rti International</i>		2U10HD04068911		304,042	304,042
<i>Pass-Through from Rti International</i>		U01HD021373 RFA- HD-04-010		582,201	582,201
<i>Pass-Through from Rti International</i>		U10HD054241		133	133
<i>Pass-Through from Seattle Children's Hospital</i>		11448		15,693	15,693
<i>Pass-Through from Stanford University</i>		5R01HD084679-02		22,939	22,939
<i>Pass-Through from University of California - Davis</i>		1R01HD084674-01A1		97,614	97,614
<i>Pass-Through from University of California - Davis</i>		201601391-03		15,675	15,675
<i>Pass-Through from University of California - Irvine</i>		1 R21 HD081319 02		67,899	67,899
<i>Pass-Through from University of California - Los Angeles</i>		1215 G TA045		(7,112)	(7,112)
<i>Pass-Through from University of California - San Francisco</i>		5R25HD045810-13		19,894	19,894
<i>Pass-Through from University of California - Santa Barbara</i>		8000002477		22	22

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from University of Georgia</i>		1R01HD086832-01A1		137,084	137,084
<i>Pass-Through from University of Illinois - Chicago</i>		20120613601001/R01HD		71,110	71,110
<i>Pass-Through from University of Illinois - Chicago</i>		2014-07499		123,348	123,348
<i>Pass-Through from University of Louisiana - Monroe</i>		1R21HD083389-01		24,413	24,413
<i>Pass-Through from University of Michigan</i>		3003597836		11,795	11,795
<i>Pass-Through from University of Michigan</i>		5U01HD04124908		(14,649)	(14,649)
<i>Pass-Through from University of Nebraska - Lincoln</i>		24-1710-0157-005 / 1R01HD08608		19,281	19,281
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		1R01HD08613901A1		2,007	2,007
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5 R01 HD053000 09		13,503	13,503
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5106231		15,664	15,664
<i>Pass-Through from University of Utah</i>		R01HD075863		30,275	30,275
<i>Pass-Through from University of Washington</i>		5R01HD07969502		(5,077)	(5,077)
<i>Pass-Through from University of Wyoming</i>		1002696 - UTHSCSA		2,711	2,711
<i>Pass-Through from Vanderbilt University Medical Center</i>		5U01HD076733-04		63,138	63,138
<i>Pass-Through from Washington University - St. Louis</i>		5K12HD000849-28		(13)	(13)
<i>Pass-Through from Washington University - St. Louis</i>		JIMENEZ-NIH		89,732	89,732
<i>Pass-Through from Washington University School of Medicine</i>		RSDP NIH-KEN LIN		112,946	112,946
<i>Pass-Through from Wayne State University</i>		5U10HD0213850000		1,959	1,959
<i>Pass-Through from Weill Cornell Medicine</i>		15101636-2 004		317	317
<i>Pass-Through from Weill Cornell Medicine</i>		16081197-02 PO 4100412396		245,857	245,857
<i>Pass-Through from Yale University School of Medicine</i>		5-R01-HD028016-22		8,797	8,797
Total - CFDA 93.865			3,788,000	26,413,275	30,201,275
Aging Research	93.866		3,813,561	24,418,442	28,232,003
<i>Pass-Through from Albert Einstein College of Medicine</i>		31611D/P01AG017242	94,152	386,700	480,852
<i>Pass-Through from Amprion, Inc.</i>		3R42AG049562-02S1		64,776	64,776
<i>Pass-Through from Amprion, Inc.</i>		4R42AG049562-02		200,704	200,704
<i>Pass-Through from Augusta University</i>		2R01AG034389-06A1		23,721	23,721
<i>Pass-Through from Boston University</i>		4R01AG033193-07		66,883	66,883
<i>Pass-Through from Brigham and Women's Hospital</i>		5U01AG04827003		250,175	250,175
<i>Pass-Through from Columbia University</i>		1 R01 AG041797-01		14,588	14,588
<i>Pass-Through from Columbia University</i>		5R01AG047146-04		4,114	4,114
<i>Pass-Through from Columbia University</i>		8(GG010502-01)		3,579	3,579
<i>Pass-Through from Johns Hopkins University</i>		7R01AG042753-03		5,587	5,587
<i>Pass-Through from Kaiser Foundation Research Institute</i>		U01AG012554		9,558	9,558
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		15X082		8,755	8,755
<i>Pass-Through from Mayo Clinic</i>		UTH-178544-03/ 1		4,940	4,940
<i>Pass-Through from Mayo Clinic</i>		UTX-178544-03/CORE B		57,667	57,667
<i>Pass-Through from Michigan State University</i>		1R01AG048642-01A1		35,292	35,292
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		4U01AG029824-07		46,987	46,987
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		5U01AG029824-05		39,122	39,122
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		ASPREE/U01AG02982 4		48,193	48,193
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		PARCHMAN		117,033	117,033
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		U01AG029824		12,047	12,047
<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		280	280
<i>Pass-Through from Mount Sinai School of Medicine</i>		0254-9927-4609		53,573	53,573
<i>Pass-Through from Ohio State University</i>		60043785		1,348	1,348
<i>Pass-Through from Partners Healthcare Research Management</i>		U01AG048270		26,822	26,822

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from Regenerative Research Foundation</i>		5012-UTEXAS		(460)	(460)
<i>Pass-Through from Saint Louis University</i>		1R46AG049503-01A1		(882)	(882)
<i>Pass-Through from St. Jude Children's Research Hospital</i>		112274010-7724998		43,601	43,601
<i>Pass-Through from St. Jude Children's Research Hospital</i>		1R01AG047928-01A1		59,843	59,843
<i>Pass-Through from The Curators of The University of Missouri</i>		0065133/00050841		225,168	225,168
<i>Pass-Through from The Scripps Research Institute</i>		5P01AG043376-05		115,074	115,074
<i>Pass-Through from The Scripps Research Institute</i>		PO5-52862		831,755	831,755
<i>Pass-Through from The Scripps Research Institute</i>		PO5-52866		801,718	801,718
<i>Pass-Through from The Scripps Research Institute</i>		PO5-52868		311,488	311,488
<i>Pass-Through from The Scripps Research Institute</i>		PO5-52938		1,650,978	1,650,978
<i>Pass-Through from University of Alabama</i>		5R21AG04572202		22,341	22,341
<i>Pass-Through from University of Kansas Medical Center</i>		ZAC00040/R56AG0475 90	10,819	5,509	16,328
<i>Pass-Through from University of Maryland</i>		1500141		17,254	17,254
<i>Pass-Through from University of Michigan</i>		3003298847	15,490	41,810	57,300
<i>Pass-Through from University of Michigan</i>		3004436261/R21AG055 090-01		20,697	20,697
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5106149		33,215	33,215
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		R01AG038747		2,283	2,283
<i>Pass-Through from University of Pittsburgh</i>		5U01AG12533-21		7,902	7,902
<i>Pass-Through from University of Washington</i>		5U01AG016976-17		(124)	(124)
<i>Pass-Through from University of Washington</i>		5U01AG016976-18		6,759	6,759
<i>Pass-Through from Wake Forest University Health Sciences</i>		WFUHS 441337		44,272	44,272
<i>Pass-Through from Weill Cornell Medicine</i>		16091646-TX		1,206	1,206
<i>Pass-Through from Yale University School of Medicine</i>		1P01AG051459-01A1		413,445	413,445
<i>Pass-Through from Yale University School of Medicine</i>		M17A12604 (A10795)		124,276	124,276
Total - CFDA 93.866			3,934,022	30,680,922	34,614,944
Vision Research	93.867		522,592	20,704,632	21,227,224
<i>Pass-Through from Baylor College of Medicine</i>		102163160		8,205	8,205
<i>Pass-Through from Baylor College of Medicine</i>		7000000313		151,149	151,149
<i>Pass-Through from Emory University</i>		1UG1EY025553-01		1,941	1,941
<i>Pass-Through from Emory University</i>		5UG1EY025553-02		5,726	5,726
<i>Pass-Through from Johns Hopkins University</i>		4R01EY02232205		31,240	31,240
<i>Pass-Through from Mount Sinai School of Medicine</i>		1R01EY026593-01		50,800	50,800
<i>Pass-Through from Oregon Health Sciences University</i>		1001660-UTRGV		551	551
<i>Pass-Through from Rashmivu, Llp</i>		3R1EY024217-01A1S1		14,134	14,134
<i>Pass-Through from Salus University</i>		5U10EY022599		122,125	122,125
<i>Pass-Through from University of California - San Diego</i>		PO# 90946294-03		11,185	11,185
<i>Pass-Through from University of Utah</i>		4R01EY002576-39		59,585	59,585
<i>Pass-Through from Vital Art and Science, LLC</i>		5R44EY02001603		(9,540)	(9,540)
Total - CFDA 93.867			522,592	21,151,733	21,674,325
Antimicrobial Resistance Surveillance in Retail Food Specimens	93.876			129,851	129,851
Medical Library Assistance	93.879		375,359	1,579,476	1,954,835
<i>Pass-Through from Brigham and Women's Hospital</i>		5R01LM011966-03		47,735	47,735
<i>Pass-Through from Northeastern University - Boston</i>		500495-78051		10,246	10,246
<i>Pass-Through from Tulane University</i>		TUL-HSC-554836- 16/17		17,841	17,841
<i>Pass-Through from University of Kentucky</i>		5R21LM012274-02		33,998	33,998
<i>Pass-Through from University of Pittsburgh</i>		5 R01 LM012087 02		13,173	13,173
<i>Pass-Through from University of Pittsburgh</i>		5R01LM012095-03		32,556	32,556
<i>Pass-Through from University of Wisconsin</i>		370K204		(2,175)	(2,175)
<i>Pass-Through from William Marsh Rice University</i>		4T15 LM0070093-25		21,750	21,750

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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 Health and Human Services (continued)					
<i>Pass-Through from William Marsh Rice University</i>		5 T15 LM007093 25		97,197	97,197
Total - CFDA 93.879			375,359	1,851,797	2,227,156
Grants for Primary Care Training and Enhancement	93.884			16,480	16,480
Health Care and Other Facilities	93.887			16,472	16,472
HIV Emergency Relief Project Grants <i>Pass-Through from Boston University</i>	93.914	4500002171		20,894	20,894
HIV Care Formula Grants <i>Pass-Through from Resource Group</i>	93.917	17UTV00PTB		107,714 339,988	107,714 339,988
Total - CFDA 93.917			0	447,702	447,702
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease <i>Pass-Through from Dallas County Hospital District</i>	93.918	9913		133,573	133,573
<i>Pass-Through from Houston Regional HIV/AIDS Resource Group, Inc.</i>		205741		20,050	20,050
<i>Pass-Through from Houston Regional HIV/AIDS Resource Group, Inc.</i>		206171		13,198	13,198
<i>Pass-Through from Resource Group</i>		17UTP00RWC		32,476	32,476
<i>Pass-Through from Resource Group</i>		18UTV00RWC		20,338	20,338
Total - CFDA 93.918			0	219,635	219,635
Healthy Start Initiative	93.926			710,061	710,061
National Institutes of Health Acquired Immunodeficiency Syndrome Research Loan Repayment Program	93.936			28,157	28,157
HIV Prevention Activities Health Department Based <i>Pass-Through from City of Houston Health and Human Services</i>	93.940	U62/CCU606238		1,332,402 306,523	1,332,402 306,523
Total - CFDA 93.940			0	1,638,925	1,638,925
HIV Demonstration, Research, Public and Professional Education Projects	93.941			654,798	654,798
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944			518,334	518,334
Block Grants for Community Mental Health Services	93.958			14,256	14,256
International Research and Research Training <i>Pass-Through from Baylor College of Medicine</i>	93.989	4K01TW00964404		287,933 5,366	287,933 5,366
Total - CFDA 93.989			0	293,299	293,299
Maternal and Child Health Services Block Grant to the States	93.994			543,263	543,263
Total - U.S. Department of Health and Human Services			61,857,412	801,138,854	862,996,266
Corporation for National and Community Service					
Corporation for National and Community Service	94.XXX	15REHTX001 2 (COMP RENEWAL)		157,711	157,711

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
Corporation for National and Community Service (continued)					
Social Innovation Fund	94.019				
<i>Pass-Through from Methodist Healthcare Ministries of South Texas, Inc.</i>		14SIHTX001-05		1,167,330	1,167,330
<i>Pass-Through from Methodist Healthcare Ministries of South Texas, Inc.</i>		14SIHTX001-09		960,585	960,585
Total - CFDA 94.019			0	2,127,915	2,127,915
National Service and Civic Engagement Research Competition	94.026			37,329	37,329
Total - Corporation for National and Community Service			0	2,322,955	2,322,955
Executive Office of the President					
Executive Office of the President	95.XXX	UTA16-000641		106,122	106,122
Total - Executive Office of the President			0	106,122	106,122
U.S. Department of Homeland Security					
U.S. Department of Homeland Security	97.XXX	M1601460		5,889	5,889
<i>Pass-Through from Signature Science, LLC</i>		5923		114,764	114,764
<i>Pass-Through from Tda Research, Inc.</i>		AJ 5201 004 TTU 17 01		10,269	10,269
Total - CFDA 97.XXX			0	130,922	130,922
State and Local Homeland Security National Training Program	97.005		207,219	1,086,252	1,293,471
<i>Pass-Through from Louisiana State University</i>		8000002516		3,487	3,487
<i>Pass-Through from Louisiana State University</i>		8000002717		281,462	281,462
<i>Pass-Through from University of Arkansas System</i>		18002-2 (SCI-5676)		34,759	34,759
Total - CFDA 97.005			207,219	1,405,960	1,613,179
Hazard Mitigation Grant	97.039			(4,588)	(4,588)
<i>Pass-Through from Bastrop County</i>		8000002150		258	258
<i>Pass-Through from Bastrop County</i>		8000002395		51,719	51,719
Total - CFDA 97.039			0	47,389	47,389
National Dam Safety Program	97.041			(1)	(1)
Assistance to Firefighters Grant	97.044		201,549	152,843	354,392
<i>Pass-Through from Cfai - Risk, Inc.</i>		CFAI-RISK-16		29,722	29,722
Total - CFDA 97.044			201,549	182,565	384,114
Cooperating Technical Partners	97.045			96,921	96,921
Centers for Homeland Security	97.061		1,563,337	5,884,595	7,447,932
<i>Pass-Through from Modern Technology Solutions, Inc.</i>		K-DHSP-0002597	2,113	13,516	15,629
<i>Pass-Through from Rutgers University</i>		2009-ST061CCI00207		1,676	1,676
<i>Pass-Through from University of Alaska</i>		508233		91,995	91,995
<i>Pass-Through from University of Alaska - Anchorage</i>		PO 507159		30,038	30,038
<i>Pass-Through from University of Illinois</i>		2015-01722-08	46,790	43,567	90,357
<i>Pass-Through from University of Maryland</i>		39565 Z9247102		87,936	87,936

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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)					
<i>Pass-Through from University of North Carolina</i>		5101656		158,863	158,863
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5103190		1	1
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5103190 1		61,990	61,990
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		8000002751		14,835	14,835
<i>Pass-Through from University of Southern California</i>		68480853		7,789	7,789
Total - CFDA 97.061			1,612,240	6,396,801	8,009,041
Scientific Leadership Awards	97.062			231,291	231,291
Homeland Security Advanced Research Projects Agency	97.065		164,154	252,146	416,300
Homeland Security Grant Program	97.067			24,745	24,745
Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection	97.077		6,497	32,530	39,027
Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program	97.104			1,937	1,937
Homeland Security, Research, Testing, Evaluation, and Demonstration of Technologies	97.108		174,768	618,355	793,123
National Cyber Security Awareness	97.128		1,059,223	903,353	1,962,576
National Nuclear Forensics Expertise Development Program	97.130			23,494	23,494
<i>Pass-Through from Medical University of South Carolina</i>		MUSC13-002		10,927	10,927
Total - CFDA 97.130			0	34,421	34,421
Total - U.S. Department of Homeland Security			3,425,650	10,359,335	13,784,985
U.S. Agency for International Development					
U.S. Agency for International Development	98.XXX				
<i>Pass-Through from Michigan State University</i>		RC10205-KENYA		179,498	179,498
<i>Pass-Through from Michigan State University</i>		RC102095-LIBERIA		102,286	102,286
<i>Pass-Through from Michigan State University</i>		RC102095-R2003		43,007	43,007
<i>Pass-Through from Michigan State University</i>		RC103361		144,737	144,737
Total - CFDA 98.XXX			0	469,528	469,528
USAID Foreign Assistance for Programs Overseas	98.001		1,844,590	3,032,662	4,877,252
<i>Pass-Through from Abt Associates, Inc.</i>		44921		2,760	2,760
<i>Pass-Through from Acdi/voca</i>		J0843-BORLAUG-1		76,607	76,607
<i>Pass-Through from Cardno</i>		4726-001-CPFF-001		245,149	245,149
<i>Pass-Through from College of William and Mary</i>		740681-C		142,351	142,351
<i>Pass-Through from Conflict and Development Foundation</i>		SRS REF #M1700370		140,193	140,193
<i>Pass-Through from Conflict and Development Foundation</i>		SRS REF M1701135		131,288	131,288
<i>Pass-Through from Conrad</i>		AI AAA1400010		990	990
<i>Pass-Through from Development Alternatives, Inc.</i>		CDI-G-012		35,886	35,886
<i>Pass-Through from International Crops Research Institute for the Semi-Arid Tropics</i>		AID-BFS-G-11-00002-11		3,060	3,060
<i>Pass-Through from Kansas State University</i>		S14181	40,012	147,899	187,911
<i>Pass-Through from Kansas State University</i>		S16057	77,061	207,293	284,354
<i>Pass-Through from Kansas State University</i>		S17148		14,924	14,924
<i>Pass-Through from Mountain Institute</i>		575-2015-0001 2		9,751	9,751
<i>Pass-Through from Mountain Institute</i>		575-2016-0001		95,761	95,761
<i>Pass-Through from National Academy of Sciences</i>		PGA-2000003666		23,431	23,431

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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. Agency for International Development (continued)					
<i>Pass-Through from Regents of the University of California</i>		201500789-02		1,027,676	1,027,676
<i>Pass-Through from Rti International</i>		SCI-7192- SCHANZUSAID		4,569	4,569
<i>Pass-Through from Segura Consulting, LLC</i>		AID-OAA-C-13-00139		190,317	190,317
<i>Pass-Through from William Marsh Rice University</i>		AID-OAA-A-13-00014		(2)	(2)
Total - CFDA 98.001			1,961,663	5,532,565	7,494,228
John Ogonowski Farmer-to-Farmer Program	98.009		164,307	448,303	612,610
USAID Development Partnerships for University Cooperation and Development	98.012				
<i>Pass-Through from National Academy of Sciences</i>		PGA-2000003659		6	6
<i>Pass-Through from Tetra Tech, Inc.</i>		1078-TAMU-001		180,165	180,165
<i>Pass-Through from University of Georgia</i>		RC299-430/4942356	24,981	47,050	72,031
Total - CFDA 98.012			24,981	227,221	252,202
Total - U.S. Agency for International Development			2,150,951	6,677,617	8,828,568
Total Research and Development Cluster			115,421,875	1,548,423,871	1,663,845,746
STUDENT FINANCIAL ASSISTANCE CLUSTER					
U.S. Department of Education					
Federal Supplemental Educational Opportunity Grants	84.007			18,604,153	18,604,153
Federal Work-Study Program	84.033			22,007,326	22,007,326
Federal Perkins Loan (FPL) - Federal Capital Contributions	84.038			153,816,502	153,816,502
Federal Pell Grant Program	84.063			926,913,664	926,913,664
Federal Direct Student Loans (Direct Loan)	84.268			3,243,920,921	3,243,920,921
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			5,541,777	5,541,777
Postsecondary Education Scholarships for Veteran's Dependents	84.408			12,320	12,320
Total - U.S. Department of Education			0	4,370,816,663	4,370,816,663
U.S. Department of Health and Human Services					
Nurse Faculty Loan Program (NFLP)	93.264			2,139,715	2,139,715
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (HPSL/PCL/LDS)	93.342			22,784,849	22,784,849
Nursing Student Loans (NSL)	93.364			3,596,838	3,596,838
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			6,888,317	6,888,317
Total - U.S. Department of Health and Human Services			0	35,409,719	35,409,719
Total Student Financial Assistance Cluster			0	4,406,226,382	4,406,226,382

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
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		3,147,683	17,670,321	20,818,004
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		4,139,061	30,966,084	35,105,145
Nutrition Services Incentive Program	93.053		908,603	8,407,538	9,316,141
Total - U.S. Department of Health and Human Services			8,195,347	57,043,943	65,239,290
Total Aging Cluster			8,195,347	57,043,943	65,239,290
CCDF CLUSTER					
U.S. Department of Health and Human Services					
Child Care and Development Block Grant	93.575		225,504,699	62,132,855	287,637,554
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		213,792,850		213,792,850
<i>Pass-Through from Upper Rio Grande Workforce Development Board</i>		1016CCMC00		8,061	8,061
<i>Pass-Through from Upper Rio Grande Workforce Development Board</i>		BCY17CCMC00		48,727	48,727
Total - CFDA 93.596			213,792,850	56,788	213,849,638
Total - U.S. Department of Health and Human Services			439,297,549	62,189,643	501,487,192
Total CCDF Cluster			439,297,549	62,189,643	501,487,192
CDBG - ENTITLEMENT GRANTS CLUSTER					
U.S. Department of Housing and Urban Development					
Community Development Block Grants/Entitlement Grants	14.218		6,303,454	52,427	6,355,881
<i>Pass-Through from Bastrop County</i>		484292		686,513	686,513
Total - CFDA 14.218			6,303,454	738,940	7,042,394
Total - U.S. Department of Housing and Urban Development			6,303,454	738,940	7,042,394
Total CDBG - Entitlement Grants Cluster			6,303,454	738,940	7,042,394
CHILD NUTRITION CLUSTER					
U.S. Department of Agriculture					
School Breakfast Program	10.553		565,523,848	1,069,040	566,592,888
National School Lunch Program	10.555		1,629,119,497	2,099,344	1,631,218,841
Special Milk Program for Children	10.556		13,762		13,762
Summer Food Service Program for Children	10.559		36,578,447	1,367,380	37,945,827
Total - U.S. Department of Agriculture			2,231,235,554	4,535,764	2,235,771,318
Total Child Nutrition Cluster			2,231,235,554	4,535,764	2,235,771,318

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
CLEAN WATER STATE REVOLVING FUND CLUSTER					
Environmental Protection Agency					
Capitalization Grants for Clean Water State Revolving Funds	66.458		22,230,389	38,837,611	61,068,000
Total - Environmental Protection Agency			22,230,389	38,837,611	61,068,000
Total Clean Water State Revolving Fund Cluster			22,230,389	38,837,611	61,068,000
DISABILITY INSURANCE/SSI CLUSTER					
Social Security Administration					
Social Security Disability Insurance	96.001			121,555,829	121,555,829
Total - Social Security Administration			0	121,555,829	121,555,829
Total Disability Insurance/SSI Cluster			0	121,555,829	121,555,829
DRINKING WATER STATE REVOLVING FUND CLUSTER					
Environmental Protection Agency					
Capitalization Grants for Drinking Water State Revolving Funds	66.468		88,971,038	11,921,949	100,892,987
Total - Environmental Protection Agency			88,971,038	11,921,949	100,892,987
Total Drinking Water State Revolving Fund Cluster			88,971,038	11,921,949	100,892,987
ECONOMIC DEVELOPMENT CLUSTER					
U.S. Department of Commerce					
Investments for Public Works and Economic Development Facilities	11.300			790,149	790,149
Economic Adjustment Assistance	11.307			727,551	727,551
Total - U.S. Department of Commerce			0	1,517,700	1,517,700
Total Economic Development Cluster			0	1,517,700	1,517,700
EMPLOYMENT SERVICE CLUSTER					
U.S. Department of Labor					
Employment Service/Wagner-Peyser Funded Activities	17.207		11,174,532	37,189,643	48,364,175
<i>Pass-Through from Baytech</i>		111396		38,013	38,013
<i>Pass-Through from Baytech</i>		2815WPB000		66,566	66,566
Total - CFDA 17.207			11,174,532	37,294,222	48,468,754
Disabled Veterans' Outreach Program (DVOP)	17.801			7,628,945	7,628,945
Local Veterans' Employment Representative Program	17.804			5,121,741	5,121,741
Total - U.S. Department of Labor			11,174,532	50,044,908	61,219,440
Total Employment Service Cluster			11,174,532	50,044,908	61,219,440

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
FEDERAL TRANSIT CLUSTER					
U.S. Department of Transportation					
Federal Transit Capital Investment Grants	20.500		(235,805)		(235,805)
Bus and Bus Facilities Formula Program	20.526		5,521,276		5,521,276
Total - U.S. Department of Transportation			5,285,471	0	5,285,471
Total Federal Transit Cluster			5,285,471	0	5,285,471
FISH AND WILDLIFE CLUSTER					
U.S. Department of the Interior					
Sport Fish Restoration	15.605		1,236,705	14,123,358	15,360,063
Wildlife Restoration and Basic Hunter Education	15.611		97,026	16,856,856	16,953,882
Total - U.S. Department of the Interior			1,333,731	30,980,214	32,313,945
Total Fish and Wildlife Cluster			1,333,731	30,980,214	32,313,945
FOOD DISTRIBUTION CLUSTER					
U.S. Department of Agriculture					
Commodity Supplemental Food Program	10.565		13,821,896		13,821,896
Emergency Food Assistance Program (Administrative Costs)	10.568		7,178,487	41,088	7,219,575
Emergency Food Assistance Program (Food Commodities)	10.569		45,300,369		45,300,369
Total - U.S. Department of Agriculture			66,300,752	41,088	66,341,840
Total Food Distribution Cluster			66,300,752	41,088	66,341,840
FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER					
Corporation for National and Community Service					
Foster Grandparent Program	94.011			1,924,434	1,924,434
Total - Corporation for National and Community Service			0	1,924,434	1,924,434
Total Foster Grandparent/Senior Companion Cluster			0	1,924,434	1,924,434
HEALTH CENTER PROGRAM 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			2,751,314	2,751,314
Total - U.S. Department of Health and Human Services			0	2,751,314	2,751,314
Total Health Center Program Cluster			0	2,751,314	2,751,314

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER					
U.S. Department of Transportation					
Highway Planning and Construction	20.205		143,269,300	3,497,859,298	3,641,128,598
Recreational Trails Program	20.219		3,546,437	1,379,091	4,925,528
Total - U.S. Department of Transportation			146,815,737	3,499,238,389	3,646,054,126
Total Highway Planning and Construction Cluster			146,815,737	3,499,238,389	3,646,054,126
HIGHWAY SAFETY CLUSTER					
U.S. Department of Transportation					
State and Community Highway Safety	20.600		12,494,583	6,390,123	18,884,706
National Priority Safety Programs	20.616		5,902,705	10,647,079	16,549,784
<i>Pass-Through from Texans Standing Tall</i>		2017-TST-G-1YG-0057		6,006	6,006
Total - CFDA 20.616			5,902,705	10,653,085	16,555,790
Total - U.S. Department of Transportation			18,397,288	17,043,208	35,440,496
Total Highway Safety Cluster			18,397,288	17,043,208	35,440,496
HOUSING VOUCHER CLUSTER					
U.S. Department of Housing and Urban Development					
Section 8 Housing Choice Vouchers	14.871			7,233,078	7,233,078
Total - U.S. Department of Housing and Urban Development			0	7,233,078	7,233,078
Total Housing Voucher Cluster			0	7,233,078	7,233,078
MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING CLUSTER					
U.S. Department of Health and Human Services					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505		9,875,864	5,964,399	15,840,263
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870		1,176,914	1,237,375	2,414,289
Total - U.S. Department of Health and Human Services			11,052,778	7,201,774	18,254,552
Total Maternal, Infant, and Early Childhood Home Visiting Cluster			11,052,778	7,201,774	18,254,552
MEDICAID CLUSTER					
U.S. Department of Health and Human Services					
State Medicaid Fraud Control Units	93.775			16,579,326	16,579,326
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777			37,060,611	37,060,611

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
MEDICAID CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Medical Assistance Program	93.778		7,567,889	21,604,369,154	21,611,937,043
Total - U.S. Department of Health and Human Services			7,567,889	21,658,009,091	21,665,576,980
Total Medicaid Cluster			7,567,889	21,658,009,091	21,665,576,980
SNAP CLUSTER					
U.S. Department of Agriculture					
Supplemental Nutrition Assistance Program	10.551			5,358,849,525	5,358,849,525
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		21,726,016	183,580,495	205,306,511
Total - U.S. Department of Agriculture			21,726,016	5,542,430,020	5,564,156,036
Total SNAP Cluster			21,726,016	5,542,430,020	5,564,156,036
SPECIAL EDUCATION (IDEA) CLUSTER					
U.S. Department of Education					
Special Education Grants to States	84.027		977,392,023	52,330,044	1,029,722,067
<i>Pass-Through from Clear Creek Independent School District</i>		H027A150008		28,120	28,120
<i>Pass-Through from Education Service Center Region 17</i>		H027A150008		128,071	128,071
<i>Pass-Through from Education Service Center Region 17</i>		H027A160008		38,280	38,280
<i>Pass-Through from Pasadena Independent School District</i>		H027A16008		15,250	15,250
Total - CFDA 84.027			977,392,023	52,539,765	1,029,931,788
Special Education Preschool Grants	84.173		20,708,809	59,224	20,768,033
Total - U.S. Department of Education			998,100,832	52,598,989	1,050,699,821
Total Special Education (IDEA) Cluster			998,100,832	52,598,989	1,050,699,821
TANF CLUSTER					
U.S. Department of Health and Human Services					
Temporary Assistance for Needy Families	93.558		100,525,293	342,050,327	442,575,620
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714			28,780,930	28,780,930
Total - U.S. Department of Health and Human Services			100,525,293	370,831,257	471,356,550
Total TANF Cluster			100,525,293	370,831,257	471,356,550
TRANSIT SERVICES PROGRAMS CLUSTER					
U.S. Department of Transportation					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		5,461,052	644,152	6,105,204

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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
TRANSIT SERVICES PROGRAMS CLUSTER (continued)					
U.S. Department of Transportation (continued)					
Job Access and Reverse Commute Program	20.516		(167,643)	79,872	(87,771)
New Freedom Program	20.521		292,238	89,362	381,600
Total - U.S. Department of Transportation			5,585,647	813,386	6,399,033
Total Transit Services Programs Cluster			5,585,647	813,386	6,399,033
TRIO CLUSTER					
U.S. Department of Education					
TRIO Student Support Services	84.042			5,349,703	5,349,703
TRIO Talent Search	84.044			5,851,005	5,851,005
TRIO Upward Bound	84.047			11,138,599	11,138,599
TRIO Educational Opportunity Centers	84.066			1,307,754	1,307,754
TRIO McNair Post-Baccalaureate Achievement	84.217			1,625,234	1,625,234
Total - U.S. Department of Education			0	25,272,295	25,272,295
Total TRIO Cluster			0	25,272,295	25,272,295
WIOA CLUSTER					
U.S. Department of Labor					
WIOA Adult Program	17.258		48,804,756	745,086	49,549,842
<i>Pass-Through from Austin Community College</i>		17 000		17,777	17,777
Total - CFDA 17.258			48,804,756	762,863	49,567,619
WIOA Youth Activities	17.259		45,603,317	6,806,998	52,410,315
WIOA Dislocated Worker Formula Grants	17.278		46,920,633	1,881,801	48,802,434
Total - U.S. Department of Labor			141,328,706	9,451,662	150,780,368
Total WIOA Cluster			141,328,706	9,451,662	150,780,368
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,314,628,685	46,369,869,584	54,684,498,269

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

(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 Federal 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
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 August 31, 2017. 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 full 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).

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

(e) Indirect Cost Rate

The following state agencies have elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance:

Texas A&M University – San Antonio
Texas A&M University – Central Texas

(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	\$ 43,669,548,322
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds, Federal Revenue	3,341,565,581
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds, Capital Contributions – Federal	100,237
Statement of Changes in Fiduciary Net Position	76,597,458
Total Federal Revenue per Fund Financial Statements	47,087,811,598

Reconciling Items

Non-Cash Federal Commodities/Vaccines/Surplus Property/Other (Note 6)	712,303,111
Various Loans Processed by Universities and Agencies (Note 5)	3,265,881,884
Beginning Balance of Loans as of Sept. 1, 2016 for various loan programs (Note 5)	169,480,775
State Unemployment Funds (Note 4)	2,599,269,092
Programs Not Subject to OMB Uniform Guidance (Note 8)	(188,046,305)
Other *	1,105,812,993
Blended Component Unit not included in the Schedule of Expenditures of Federal Awards (Note 1(a))	(68,014,879)
Expenditures per Schedule of Expenditures of Federal Awards	\$ 54,684,498,269

* This amount includes deductions of \$4,347,033 for fixed fee contracts; deductions of \$12,455,297 for vendor transactions; additions of \$11,718,525 for Credit Enhancement for Charter School Facilities; additions of \$1,108,619,061 for Transportation Infrastructure Finance and Innovation Act (TIFIA) Program, deductions of \$978,276 for Smith Lever Federal Appropriation; additions of \$3,255,906 for other transactions; and \$107 for rounding in the Schedule.

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

(4) Unemployment Insurance Funds

State unemployment tax revenues and the government and non-profit contributions in lieu of state taxes (State UI funds) must be deposited into the Unemployment Trust Fund in the U.S. Treasury. Use of these funds is restricted to pay benefits under the federally approved State Unemployment Law. State UI funds as well as federal funds are reported in the Schedule under CFDA 17.225. The state portion in the amount of \$2.6 billion is a reconciling item in the reconciliation of the Schedule to revenues in the fund financial statements (See Note 3).

(5) Federally Funded Loan/Credit Enhancement Programs

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

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

a) **Federally Funded Student Loan Programs**

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

Student Loan Programs with Continuing Compliance Requirements

CFDA Number	Program Name	Beginning Balance of Loans as of September 1, 2016	Ending Balance of Loans as of August 31, 2017	New Loans Processed
84.032L	Federal Family Education Loan Program (FFELP)	\$ 6,718,956	\$ 5,407,211	
84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions	134,341,173	125,211,021	\$ 18,591,560
93.108	Health Education Assistance Loan Program (HEAL)	2,861,293	2,110,570	
93.264	Nurse Faculty Loan Program (NFLP)	2,058,387	1,639,493	81,328
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (HPSL/PCL/LDS)	19,915,621	16,997,411	2,869,228
93.364	Nursing Student Loans (NSL)	3,202,379	2,864,102	394,459
93.408	ARRA - Nurse Faculty Loan Program	382,966	333,745	24,388
		<u>\$ 169,480,775</u>	<u>\$ 154,563,553</u>	<u>\$ 21,960,963</u>

Other Student Loan Programs

CFDA Number	Program Name	New Loans Processed
84.268	Federal Direct Student Loans (Direct Loan)	\$ 3,243,920,921
		<u>\$ 3,243,920,921</u>

New student loans processed totaling \$3.3 billion are included in the Schedule and are part of a reconciling item on Note 3.

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

The Federal Direct Student Loans Program (Direct Loan, 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 August 31, 2017, were approximately \$58.6 million and are included in the Schedule. CWSRF outstanding loans, with no continuing audit requirements, at August 31, 2017, 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 August 31, 2017, were approximately \$88.9 million and are included in the Schedule. DWSRF outstanding loans, with no continuing audit requirements, at August 31, 2017, were approximately \$1 billion.

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)	\$ 58,625,280
66.468	Drinking Water State Revolving Funds (DWSRF)	88,971,038
	Total New Loans Processed	<u>\$ 147,596,318</u>

Transportation Infrastructure Finance and Innovation Act (TIFIA, CFDA 20.223)

The U.S. Department of Transportation provided a secured loan to the Texas Department of Transportation for \$285 million to pay or reimburse a portion of the costs of the IH 35E Managed Lanes project. In addition, an \$840.7 million secured loan was provided to pay or reimburse a portion of the Grand Parkway Transportation Corporation's Grand Parkway Segments D-G project. The secured loan agreements were entered into pursuant to the provisions of TIFIA. Both of the TIFIA loans will be repaid with toll revenues from each project.

During fiscal 2017, \$267.9 million of the IH 35E Managed Lanes project TIFIA loan proceeds were expended to fund the project's construction costs. The \$840.7 million Grand Parkway Segments D-G project TIFIA loan was used to refund \$733.5 million of Series 2014-A Bond Anticipation Notes and \$107.2 million of the Series 2014-C revenue bonds. The TIFIA loans proceeds expended on eligible project expenditures are subject to Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards and are included in the Schedule and are part of a reconciliation item on Note 3.

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

CFDA Number	Program Name	New Loans Processed
20.223	Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	\$ 1,108,619,061

State Energy Program (SEP, CFDA 81.041)

The State Energy Conservation Office receives an annual grant from the U.S. Department of Energy (DOE) to provide funds for the State Energy Program (SEP). These low interest loans enable the municipalities to maximize their energy efficiency through building retrofits. The loans are paid back with funds saved from the reduction of energy costs. Also, The State Energy Conservation Office has chosen to continue the administration of the American Recovery and Reinvestment Act (ARRA) revolving loan program made available through the Department of Energy in 2009. The program will still offer low interest loans intended to assist governmental entities in financing their energy related cost reduction efforts. No dollars have been transferred from the now discontinued ARRA award to the annual SEP award and all monitoring will follow the same guidelines as the SEP annual grant.

CFDA Number	Program Name	New Loans Processed
81.041	State Energy Program	\$ 13,228,693

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 2006, the consortium received \$10 million in federal grants, to which the Texas Education agency added \$100,000, to establish the Texas Credit Enhancement Program (“TCEP”). The \$11.7 million of federal grants received are subject to continuing audit requirements and are included in the Schedule. In addition, approximately \$123.8 thousand of interest earned on the federal grant monies drawn down in fiscal 2017 is also included in the Schedule.

The TCEP provides credit enhancement grants to eligible charter schools by funding debt service reserve funds for bonds issued on behalf of the schools to finance education facilities. As of August 31, 2017, approximately \$4.3 million of the grant funds and related interest earnings were allocated in the form of credit enhancements to various charter schools.

(6) **Non-Monetary Assistance**

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

CFDA Number	Program Name	Grant Awards
10.555	National School Lunch Program	\$ 185,281,760
10.565	Commodity Supplemental Food Program	10,477,747
10.569	Emergency Food Assistance Program (Food Commodities)	45,300,369
39.003	Donation of Federal Surplus Personal Property	12,002,520
93.268	Immunization Cooperative Agreements	459,240,715
Total Grant Awards		\$ 712,303,111

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

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

During fiscal year 2017, the state received cash rebates from infant formula manufacturers in the amount of approximately \$189.8 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, Subtitle B, 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 August 31, 2017, the fund financial statements include \$188 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 \$97.3 million were received related to the Medicare Part D program by the administrators of postemployment health care plans. Administrators include the Employees Retirement System of Texas, University of Texas System and Texas A&M University System.

The Build America Bonds are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The revenue generated is excluded from the Schedule. The state recognized federal revenues of \$90.7 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. For the year ended August 31, 2017, \$3.2 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, 2017

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, 2017* dated February 21, 2018.

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
93.917	HIV Care Formula Grants
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
10.558	Child and Adult Care Food Program
10.560	State Administrative Expenses for Child Nutrition
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
20.223	Transportation Infrastructure Finance and Innovation Act (TIFIA) Program
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.365	English Language Acquisition State Grants
84.367	Supporting Effective Instruction State Grant
93.268	Immunization Cooperative Agreements
93.556	Promoting Safe and Stable Families
93.658	Foster Care Title IV-E
93.659	Adoption Assistance
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)
97.039	Hazard Mitigation Grant (HMGP)
Cluster	Child Nutrition
Cluster	Disability Insurance/SSI
Cluster	Medicaid
Cluster	Special Education (IDEA)
Cluster	Student Financial Assistance
Cluster	TANF

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Qualified:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.917	HIV Care Formula Grants
Cluster	TANF

Unmodified:

CFDA Number	Name of Federal Program or Cluster
10.558	Child and Adult Care Food Program
10.560	State Administrative Expenses for Child Nutrition
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in
20.223	Transportation Infrastructure Finance and Innovation Act (TIFIA) Program
64.015	Veterans State Nursing Home Care Program
84.032L	Federal Family Education Loans - Lenders
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.365	English Language Acquisition State Grants
84.367	Supporting Effective Instruction State Grant
93.268	Immunization Cooperative Agreements
93.556	Promoting Safe and Stable Families
93.563	Child Support Enforcement
93.658	Foster Care Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.039	Hazard Mitigation Grant (HMGP)
Cluster	Capitalization Grants for Drinking Water State Revolving Funds
Cluster	Child Nutrition
Cluster	Disability Insurance/SSI
Cluster	Medicaid
Cluster	Special Education (IDEA)
Cluster	Student Financial Assistance

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: \$82,026,747

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
10.558	Child and Adult Care Food Program
10.560	State Administrative Expenses for Child Nutrition
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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84.365	English Language Acquisition State Grants
84.367	Supporting Effective Instruction State Grant
93.268	Immunization Cooperative Agreements
93.556	Promoting Safe and Stable Families
93.563	Child Support Enforcement
93.658	Foster Care Title IV-E
93.659	Adoption Assistance
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)
97.039	Hazard Mitigation Grant (HMGP)
Cluster	Capitalization Grants for Drinking Water State Revolving Funds
Cluster	Child Nutrition
Cluster	Disability Insurance/SSI
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, 2017* dated February 21, 2018.

Federal Award Findings and Questioned Costs – Table of Contents

Federal Award Findings and Questioned Costs – KPMG

Aging and Disability Services, Department of	180
Agriculture, Department of	182
Comptroller of Public Accounts	186
Family and Protective Services, Department of	189
General Land Office	195
Health and Human Services Commission	196
Public Safety, Department of	229
State Health Services, Department of	233
Texas Education Agency	240
Texas Higher Education Coordinating Board	242
Texas Workforce Commission	245
Transportation, Department of	252
University of Texas Medical Branch at Galveston	255

Federal Award Findings and Questioned Costs – Other Auditors

Prairie View A&M University	257
Sam Houston State University	269
Stephen F. Austin State University	271
Texas A&M University	274
Texas A&M University – San Antonio	280
Texas Southern University	295
Texas State University	305
Texas Tech University	307
Texas Woman’s University	311
University of Houston	327
University of North Texas	337
University of Texas at Arlington	342
University of Texas at Austin	355
University of Texas at El Paso	358
University of Texas Health Science Center at Houston	367
University of Texas Health Science Center at San Antonio	376
University of Texas Rio Grande Valley	379
University of Texas at San Antonio	389

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. 2017-001

Special Tests and Provisions – Provider Eligibility

(Prior Audit Issues – 2016-001 and 2015-002)

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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. New policies were written in June 2016 to strengthen controls over reviews of provider eligibility files. These policies were implemented in October 2016 but were only performed for three quarters and only included two provider types.

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 include reviews of all provider types and be robust enough to ensure that the licensing files contain the necessary information to ensure that all documentation required to be provided by licensees is included in the licensing files.

Views of Responsible Officials:

Accepted. Health and Human Services Commission (HHSC) Long Term Care Regulatory division, Licensing and Credentialing section has 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 for the nursing facility and day activity health services units in January 2017. These procedures will be implemented for the home and community support service agencies and the assisted living facilities and intermediate care facilities for individuals with intellectual disability or related conditions during FY18.

Corrective Action Plan:

HHSC Licensing and Credentialing section will conduct quarterly and annual reviews. The quarterly reviews will focus on 10 percent of completed applications, per quarter per 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 quarter or annual review, to the section director.

Implementation Date: March 2018

Responsible Person: Bobby D. Schmidt

Department of Agriculture

Reference No. 2017-002

Allowable Costs/Cost Principles

Cash Management

Matching

Earmarking

Period of Performance

Procurement and Suspension and Debarment

Reporting

Subrecipient Monitoring

Special Tests and Provisions – Accountability for USDA-Donated Foods

(Prior Audit Issues – 2016-003 and 2015-003)

CFDA 10.558 – Child and Adult Care Food Program

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

Award number – 6TX300332

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

Child Nutrition Cluster

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

Award number – 6TX300332

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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 statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. TDA utilizes the Contracts, Awards Management, and Procurement System (CAMPS) for procurement of vendors and approval of the associated payments on the resulting contracts, including subrecipients. TDA uses TXUNPS for subrecipient expenses and TXUNPS Pentaho and TDA Pentaho as reporting tools to assist in federal reporting requirements.

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

During fiscal year 2017, change management procedures were executed and changes were implemented in TXUNPS and TDA Pentaho without formally documenting the testing and approval procedures performed. While no changes were implemented for CAMPS during 2017, a similar finding regarding a lack of formally documenting the change management process was noted in 2016. 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. 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 TXUNPS Pentaho and TDA Pentaho applications, two Report Administrators, who have developer responsibilities had administrative access to each layer (i.e., application, database, and the host operating system), including access rights to migrate changes in the production environment. In addition, for the TXUNPS application, one Report Administrator, who has developer responsibilities, had access to the TXUNPS application. Access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems 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. TDA removed production access for Report Administrators on August 29, 2017.

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, TXUNPS Pentaho and TDA Pentaho applications to ensure changes are authorized, tested, and approved prior to implementing the changes to the production environment.

Views of Responsible Officials:

TDA has taken corrective steps to establish and implement an action plan to strengthen the IT controls.

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:

- *All developers' access to production was successfully reviewed and removed by August 29, 2017.*

Policies will be reviewed and updated as necessary:

- *Software Configuration Management and Build Process for Applications policies will be reviewed and updated as needed by March 2018, and*

Formalization and implementation of procedures for CAMPS and Pentaho security access reviews, addressing administrative and operational access will be completed by March 2018.

Implementation Dates: All developer access to any applicable systems were reviewed and completed by August 29 2017.

*All configuration reviews and necessary changes will be completed by March 2018.
Periodic access reviews will be completed by March 2018.*

Responsible Persons: William Butch Grote and Tahjar Roamartinez

Reference No. 2017-003

Special Tests and Provisions – Accountability for USDA-Donated Foods

Child Nutrition Cluster

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

Award number – 6TX300332

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency and Non-Compliance

Distributing and subdistributing agencies (as defined at 7 CFR section 250.3) must maintain accurate and complete records with respect to the receipt, distribution, and inventory of USDA-donated foods including end products processed from donated foods. Failure to maintain records required by 7 CFR section 250.16 shall be considered prima facie evidence of improper distribution or loss of donated foods, and the agency, processor, or entity may be required to pay USDA the value of the food or replace it in kind (7 CFR sections 250.16(a)(6) and 250.15(c)).

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

Distributing and subdistributing agencies shall take a physical inventory of all storage facilities. Such inventory shall be reconciled annually with the storage facility’s inventory records and maintained on file by the agency that contracted with or maintained the storage facility. Corrective action shall be taken immediately on all deficiencies and inventory discrepancies and the results of the corrective action forwarded to the distributing agency (7 CFR section 250.14(e)).

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.

During the 2017 audit, we reviewed documentation for four inventory counts for TDA contracted distribution warehouses. For three of the four inventory counts reviewed, we noted computational anomalies. For one warehouse, the amount of inventory gains did not equal the total reported in the inventory findings letter provided to the warehouse. For another warehouse, a summary table was provided in the inventory findings letter which included a total net loss amount which did not equal total net losses. The school was only held accountable for the correct loss amount. For a third warehouse, the net gains available to the warehouse in the inventory findings letter included an offset of the private storage losses. The warehouse was still required to reimburse the Contracting Entities for all private storage losses. Additionally for two of the warehouses discussed above, we were unable to reconcile between the inventory count sheet and the gains/losses reported to the warehouse in the inventory findings letter. The Director for Commodity Operations reviews the inventory findings letter before sending these letters to the warehouses. However, the above noted issues were not discovered during this review.

Additionally during the 2017 audit, we reviewed food distribution, receipt, and loss documentation. For a sample of 40 food receipts reviewed, there was one receipt where the food was delivered to the school and an invoice and signed receiving report was provided. However, the delivery for this receipt was not noted as received in TX-UNPS. Although the Food Distribution Specialist reviews receipts on a periodic basis, this particular receipt was not identified.

No questioned costs were noted with regards to accountability for USDA donated foods a result of the issues noted above.

Recommendation:

TDA should put in place stronger controls in order to ensure the accuracy of reported inventory amounts and food receipts.

Views of Responsible Officials:

TDA conducts inventory counts at 6 food warehouses for 8 regions on an annual basis and has inventory count controls in place. A corrective action plan to strengthen these controls has been developed.

Corrective Action Plan:

TDA has updated its Physical Inventory Count process to eliminate the ability of a warehouse to reconcile lost product that has been located since the onsite visit. Warehouses will be held accountable for losses identified at the end of the onsite visit. Additionally, the process will reflect that the starting inventory will be run on the day of the onsite review to reduce manual adjustments on Physical Inventory count tool. TDA is updating the format and formulation of the Physical Inventory Count tool to prevent errors with formulas and enhance the clarity of the data collected. All summary tables will be removed from the corrective action letters and the updated tool will be provided as an enclosure to eliminate the manual errors. All documentation and the corrective action letter will be reviewed by the Coordinator for the section prior to sending to the warehouse.

TDA will reprioritize the duties of the Food Distribution Specialist to ensure the current process for monitoring the receipt of USDA Food shipments is completed. The current process requires this position to reconcile deliveries on the first and sixteenth day of each month, adjusting for weekends. The current process will be updated to include a quarterly check to ensure all trucks for the program year to-date have been properly receipted.

Implementation Dates: Updated process and tool for Physical Inventory Count will be implemented by May 1, 2018.

Updated process for monitoring the receipting of USDA Food shipments will be implemented by March 1, 2018.

Responsible Person: Jaclyn Cantu

**Comptroller of Public Accounts
Health and Human Services Commission**

Reference No. 2017-004
Cash Management

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Non-Major Programs:

10.561 – State Administrative Matching Grants for Supplemental Nutrition Assistance Program

93.767 – Children’s Health Insurance Program

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency and 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:	\$23,450
U.S. Department of Agriculture	
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 (TSA) made between the Financial Management Service (FMS) of the Department of the Treasury and Texas Comptroller of Public Accounts (CPA). The TSA 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 (State). 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 CPA 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 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 CPA 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.

Health and Human Services Commission (HHSC)

HHSC prepares the detailed spreadsheets to track refund transactions exceeding the \$50,000 threshold that is used in the interest liability calculation for the affected programs. Our audit noted the spreadsheets submitted to the CPA

included adjustments as offsets to the refund transactions. The adjustments resulted in underreporting the interest liabilities for the affected programs.

Comptroller of Public Accounts (CPA)

The 2017 interest liability calculation for the State of Texas was performed by the CPA using information provided by each agency for each major program. Our audit noted manual errors in the calculation of interest owed for refunds exceeding \$50,000 reported performed by the CPA for certain HHSC programs. These errors included (1) hard coding the difference in the number of days versus calculating via formula the difference in days between the receipt and use date and (2) missing the actual calculation of interest liabilities for several refund transactions.

The above errors at HHSC and CPA caused the overall current interest liability reported on the CMIA Annual Report for the State of Texas to be underreported by \$23,450. The programs and amounts involved in this miscalculation were:

- CFDA 10.561 – State Administrative Matching Grants for Supplemental Nutrition Assistance Program – underreported by \$13.
- CFDA 93.767 – Children’s Health Insurance Program – underreported by \$3,597.
- CFDA 93.778 – Medical Assistance Program (Medicaid) – underreported by \$19,840.

Recommendation:

HHSC should review their current process in place to report the refund transactions exceeding \$50,000 to the CPA to exclude adjustments. HHSC should continue to perform a detailed review using their revised process prior to submission to the CPA.

The CPA should ensure the spreadsheets utilized to calculate the interest liabilities for the Federal programs correctly reflect the number of days between the receipt and use date and ensure the interest calculated includes all refund transactions.

Views of Responsible Officials – CPA:

Accepted. The Comptroller is analyzing current processes to determine what enhancements are needed to ensure effective quality control. Additional verification of electronic files will be reflected in updated procedures and conducted going forward.

Corrective Action Plan – CPA:

Agency policies and procedures will be revised to include procedures for increased quality control.

Implementation Date: August 31, 2018

Responsible Person: Michael Apperley

Views of Responsible Officials – HHSC:

Accepted. HHSC will revise our current business process to exclude adjustments. We will continue to perform a detailed review ensuring adjustments have been excluded. See the corrective action plan for further details.

COMPTROLLER OF PUBLIC ACCOUNTS

Corrective Action Plan – HHSC:

HHSC will revise our current business processes to exclude adjustments when creating the detailed spreadsheets. ARTS will create a new Journal Source for adjustments. The new Journal Source will easily identify adjusting journals.

Implementation Date: February 1, 2018

Responsible Person: Trinity Raines

Department of Family and Protective Services

Reference No. 2017-005

Allowable Costs/Cost Principles

(Prior Audit Issue – 2016-008)

CFDA 93.556 – Promoting Safe and Stable Families

Award years – October 1, 2016 to September 30, 2018, October 1, 2015 to September 30, 2017, and October 1, 2014 to September 30, 2016

Award numbers – 1701TXFPSS, 1701TXFPCV, 1601TXFPSS, 1601TXFPCV, 1501TXFPSS, and 1511TXFPCV

CFDA 93.658 – Foster Care–Title IV–E

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

Award numbers – 1701TXFOST and 1601TXFOST

CFDA 93.659 – Adoption Assistance – Title IV-E

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

Award numbers – 1701TXADPT and 1601TXADPT

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2016 to September 30, 2018 and October 1, 2015 to September 30, 2017

Award numbers – G1701TXSOSR and G1601TXSOSR

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

Non-Major Programs:

93.090 – Guardianship Assistance

93.505 – Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program

93.566 – Refugee and Entrant Assistance_State Administered Programs

93.575 – Child Care and Development Block Grant

93.590 – Community-Based Child Abuse Prevention Grants

93.599 – Chafee Education and Training Vouchers Program (ETV)

93.603 – Adoption and Legal Guardianship Incentive Payments

93.643 – Children’s Justice Grants to States

93.645 – Stephanie Tubbs Jones Child Welfare Services Program

93.669 – Child Abuse and Neglect State Grants

93.674 – Chafee Foster Care Independence Program

93.747 – Elder Abuse Prevention Interventions Program

93.778 – Medical Assistance Program

93.870 – Maternal, Infant, and Early Childhood Home Visiting Grant Program

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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 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	

DFPS’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,

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

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 monthly or quarterly depending on the Project ID. There are approximately 20 Project IDs. Control procedures are in place to review these reallocation entries.

During fiscal year 2017, all Project IDs were based on static factors and reallocation entries were not performed. August 2016 was the last time that reallocation entries were done at DFPS. This was due to DFPS aiming to improve upon the current reallocation procedures. A contractor was hired to implement a more automated process for reallocating entries and this process was not finalized in fiscal year 2017. As reallocation entries were not performed, the control over reallocation entry review was not performed in fiscal year 2017 as well.

Expenditures that are subject to adjustment are as follows:

Major Program Subject to Fiscal Year 2017 Single Audit	Total Expenditures Fiscal Year 2017	Total Cost Allocated Expenditures Fiscal Year 2017	Cost Allocated Expenditures as a % of Total Expenditures
Promoting Safe and Stable Families	\$ 29,867,686	\$ 2,934,221	10%
Foster Care	\$ 200,288,640	\$ 82,874,594	41%
Adoption Assistance	\$ 131,846,395	\$ 10,985,756	8%
Social Services Block Grant	\$ 34,659,985	\$ 29,020,990	84%
TANF Cluster	\$ 361,519,017	\$ 207,954,675	58%

Questioned costs associated with the reallocation entries could not be determined. Management prepared an analysis noting estimated reallocation journal entries based on actual 2016 factors for the corresponding quarter or month period. The analysis provided indicated that the estimated reallocations would not be material to the major federal programs subject to audit.

System configurations were also not put in place to ensure that the Month of Allocation (MOA) date is mandatory in reallocation entries. The MOA date ensures that the voucher is reversed using the same funding percentages as the original expense. When this field is left blank, the date defaults to the date entered rather than the effective date of the reallocation, causing the reallocation calculation to be incorrectly stated. As reallocation entries were not performed in fiscal year 2017, instances of noncompliance could not be determined.

Recommendation:

DFPS 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. DFPS should make sure that the factors that are behind for reallocation purposes are updated in order to present accurate information. DFPS should also 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.

Views of Responsible Officials:

Agreed. This finding is a result of being behind several quarters in completing the reallocation of expenditures process. The variances identified would be significantly less if the quarterly reallocation process was up-to-date. The auditor recommendations are addressed in the corrective action plan detailed below.

Corrective Action Plan:

As indicated, the Department of Family and Protective Services (DFPS) has procured a contractor to automate the agency's quarterly process of reallocating expenditures. The automated solution is currently in the user acceptance testing (UAT) project phase and is scheduled for implementation on February 1, 2018. Staff training in the new automated process is also underway. DFPS anticipates that the reallocation of expenditures will be current as of March 1, 2018. This ensures that factors currently behind for reallocation purposes are updated to reflect the correct coding of expenditures. The new automated process will include a review of factor inputs to ensure they are performed in a timely manner and related calculations are finalized. In addition, populating the month of allocation (MOA) date field in the reallocation journal will be a required field when completing the reallocation process.

The time, effort and resources invested in the new automated process of reallocating expenditures will assist in the accurate and timely reporting of federal expenditures.

Implementation Dates: February 1, 2018 – Implement new automated solution
 March 1, 2018 – Reallocations up-to-date

Responsible Person: Kristen Norris

Reference No. 2017-006

Eligibility

(Prior Audit Issues – 2016-010 and 2015-008)

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency

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. Per the TANF State Plan, 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.

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

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 to require recertification of EA recipients 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. There is a policy for verifying the annual family income of each child's family, which includes training for all staff. However, DFPS has yet to implement a manual control to verify compliance with all eligibility requirements, not just compliance with annual family income level limit. 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.

Views of Responsible Officials:

The policy on determining the Emergency Assistance (EA) eligibility criteria regarding annual family income was published in July 2017, computer based training was provided in August 2017, and a baseline case reading was conducted for cases from June 2017 that had EA determinations. Regarding automated controls related to recertification, we will review this issue, including exploring needed controls and how to best implement such controls.

Corrective Action Plan:

We are revising the EA determination policy to address the remaining three EA eligibility criteria (questions regarding risk, household, and working status), develop a second computer based training to address the remaining eligibility criteria and provide a refresher on determining annual family income. The agency Accountability office is planning to conduct case readings this spring to gauge staff's grasp of the policy and training.

We will convene a workgroup with stakeholders to discuss options and develop a plan to implement the finding related to automated controls related to certification.

Implementation Date: August 31, 2018

Responsible Person: Gwen Gray

Reference No. 2017-007

Period of Performance

CFDA 93.556 – Promoting Safe and Stable Families
Award year – October 1, 2016 to September 30, 2018
Award numbers – 1701TXFPSS and 1701TXFPCV

CFDA 93.667 – Social Services Block Grant
Award year – October 1, 2016 to September 30, 2018
Award number – G1701TXSOSR
Statistically valid sample – No and Not Intended to be a Statistically Valid Sample
Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.309, 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. Per 2 CFR 200.303, the Texas 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.

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

Upon review of the population of expenditures charged to the federal fiscal year 2017 grants for Social Services Block Grant (SSBG) and Promoting Safe and Stable Families (PSSF), service dates prior to the beginning of the award date of October 1, 2016 were noted. Amounts with service dates prior to October 1, 2016 charged to the 2017 grants are as follows:

- CFDA 93.667 – Social Services Block Grant – \$1,007,990
- CFDA 93.556 – Promoting Safe and Stable Families – \$1,229,626

These expenditures are usually reallocated to a prior federal fiscal year open grant during the quarterly reallocation process. However, DFPS did not complete the reallocation process during fiscal year 2017, and as such these expenses were not reallocated to an appropriate grant.

Recommendation:

DFPS should ensure that reallocation procedures are followed such that expenditures are being charged to the appropriate grants and that any adjustments are being performed in a timely manner.

Views of Responsible Officials:

Agreed. The identified Social Services Block Grant (SSBG) and Promoting Safe and Stable Families (PSSF) expenditures would normally be reallocated appropriately via the reallocation process established by the Department of Family and Protective Services (DFPS). However, the corrective action taken due to a previous audit finding related to the agency’s reallocation of expenditures, took several months to complete. This resulted in the agency getting behind in its current process of completing the quarterly reallocations necessary to address issues such as those identified in the current finding.

Furthermore, the current quarterly reallocation of expenditures is a manual process and requires a significant amount of time to complete. Steps have been taken to remedy this and to address the specific finding. These steps are detailed in the agency’s corrective action plan (see below).

Corrective Action Plan:

DFPS has procured a contractor to automate the agency's quarterly reallocation process. The automated solution is currently undergoing user acceptance testing (UAT). In addition to UAT, designated DFPS Accounting Department staff are currently being trained on the new automated process. The automated solution is scheduled to be implemented on February 1, 2018 and will significantly reduce the amount of time required to complete quarterly reallocations. DFPS anticipates that the agency's quarterly reallocation of expenditures will be up-to-date as of March 1, 2018. The specific SSBG and PSSF expenditures charged to the incorrect grant/grant year will be corrected during this process.

Implementation Date: February 1, 2018

Responsible Person: Kristen Norris

General Land Office

Reference No. 2017-008

Subrecipient Monitoring

Special Tests and Provisions – Wage Rate Requirements

(Prior Audit Issues – 2016-011, 2015-009, 2014-005 and 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 and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency

Per 2 CFR 200.303, the Texas General Land Office (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. 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 fiscal year 2017. As of fiscal year-end, only the multi-family housing transactions were processed outside TRecS.

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

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. As of June 18, 2017, GLO has implemented a system update and an updated change management policy to address the segregation of duties issue. As part of the updated process, developers do not have access to the production environment. Once all code has been fully tested in the test environment, it is imported into the production environment by the Business Analysts.

Recommendation:

As noted, GLO has implemented a system update and an updated change management policy to address the segregation of duties issue as of June 2017. GLO should continue to monitor the users with access to implement changes to confirm access is appropriately restricted.

Views of Responsible Officials:

Accepted: The General Land Office’s Department of Enterprise Technology Solutions concurs with the recommendation. We are hopeful that a system update and process change made in June of 2017 will continue to provide a successful mechanism for implementing changes to the T-RecS production environment that do not require direct developer access. Our initial experience has been encouraging.

Corrective Action Plan:

No further action required.

Implementation Date: June 18, 2017

Responsible Person: Kai Joe

Health and Human Services Commission

Reference No. 2017-009

Allowable Costs/Cost Principles

(Prior Audit Issue – 2016-024)

CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States

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

Award numbers – H126A170092, H126A170093, H126A160092, and H126A160093

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2016 to September 30, 2018 and October 1, 2015 to September 30, 2017

Award numbers – G1701TXSOSR and G1601TXSOSR

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

Award years – October 1, 2016 to September 30, 2018, October 1, 2015 to September 30, 2017, and October 1, 2014 to September 30, 2016

Award numbers – 2B08TI010051-17, 2B08TI010051-16, and 2B08TI010051-15

Disability Insurance/SSI Cluster

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

Award numbers – 1704TXD100 and 1604TXD100

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

Non-Major Programs:

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 Exploitation

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

93.048 – Special Programs for the Aging, Title IV, and Title II, Discretionary Projects

93.051 – Alzheimer's Disease Demonstration Grants to States

93.052 – National Family Caregiver Support, Title III, Part E

93.071 – Medicare Enrollment Assistance Program

93.072 – Lifespan Respite Care Program

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

93.296 – State Partnership Grant Program to Improve Minority Health

93.324 – State Health Insurance Assistance Program

93.369 – ACL Independent Living State Grants

93.536 – The Affordable Care Act Medicaid Incentives for Prevention of Chronic Disease Demonstration Project

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

93.671 – 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

93.767 – Children's Health Insurance Program

93.788 – Opioid STR

93.791 – Money Follows the Person Rebalancing Demonstration

93.796 – State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid

93.829 – Section 223 Demonstration Programs to Improve Community Mental Health Services

93.958 – Block Grants for Community Mental Health Services

HEALTH AND HUMAN SERVICES COMMISSION

- 93.982 – Mental Health Disaster Assistance and Emergency Mental Health**
- 93.994 – Maternal and Child Health Services Block Grant to the States**
- 94.011 – Foster Grandparent Program**
- 97.032 – Crisis Counseling**
- 97.050 – Presidential Declared Disaster Assistance to Individuals and Households - Other Needs**
- 97.088 – Disaster Assistance Projects**

Aging Cluster

SNAP Cluster

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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 Agriculture	
U.S. Department of Education	
U.S. Department of Health and Human Services	
Corporation for National and Community Service	
Social Security Administration	
U.S. Department of Homeland Security	

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.

The number of Project IDs included in the PACAP increased significantly during fiscal year 2017 as a result of consolidating functions of various health and human services agencies in Texas into HHSC as part of the Health and Human Services (HHS) Transformation. This process is ongoing into fiscal year 2018. To request approval for these changes HHSC submitted two PACAP amendments to the U. S. Department of Health & Human Services Division of Cost Allocation in fiscal year 2017. An additional amendment has been submitted in 2018. As a result of the addition of these Project IDs and related issues including problems with timeliness and accuracy of reports detailing underlying information, HHSC has experienced significant delays in updating factors. We selected five factors for testing in the current year. Of these five factors, as of the date of testwork information was only available for the selected sample months for one of the factors.

Based on information provided by HHSC as of November 17, 2017, one of the five factors selected for testwork had been calculated through September 2016, one had been calculated through October 2016, one had been calculated through March 2017, and the remaining two had been calculated through April 2017. Questioned costs associated with the factors not being updated cannot be determined.

Recommendation:

HHSC should continue to update factors for changes associated with the HHS Transformation. Procedures in place should be strengthened to ensure that the information required to calculate factors is available, that factor calculations are performed, and that reallocations are recorded in a timely manner. 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. While the primary causes of delays in the calculation of actual Project ID percentages and the reallocation of expenditures are exceptional ones associated to the unique event of HHS Transformation, HHSC has initiated immediate and remedial plans to strengthen procedures, ensure factor calculation information is available, and reallocations are performed in a timely manner. HHSC has submitted the final 2017 Public Assistance Cost Allocation Plan (PACAP) to the U. S. Department of Health & Human Services Division of Cost Allocation. HHSC has completed all reallocation for factors not dependent on Factor-02 through August 2017 subsequent to the audit. HHSC will dedicate the necessary resources to eliminate the remaining backlog.

To prevent this issue in the future, HHSC has committed to strengthening current procedures by increasing the flexibility and speed of the reallocation process with the development and implementation of a cost allocation calculation system. In addition, Budget staff will continue to lead efforts across the agency to assess cost allocation changes and streamline calculation processes for actual Project ID percentages, beginning with those most frequently delayed.

Corrective Action Plan:

- By March 1, 2018, the calculation processes for most frequently delayed factors should be updated and meeting target completion dates, specifically Factor-34.
- By April 1, 2018, all reallocation backlogs should be eliminated.
- By April 1, 2018, HHSC will implement the new cost allocation calculation system (AlloCAP).

Implementation Date: April 2018

Responsible Persons: Diane Jackson and Chris Matthews

Reference No. 2017-010

Allowable Costs/Cost Principles

(Prior Audit Issues – 2016-016, 2015-014 and 2014-010)

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Non-Major Program:

CFDA 93.767 – Children’s Health Insurance Program

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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)

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

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.

HHSC has a managed care program through a section 1115 waiver. During fiscal year 2017, 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.

Inappropriate or excess administrative functions on any production system results in the risk of unauthorized changes to applications and data. In the current year, we noted that administrative access to the MAXeb system is granted to 122 users. This is an excessive number of users with administrator access.

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

Recommendation:

Administrative access should be limited only to users who require it to perform job functions. The list of users should be reviewed and unnecessary administrative access should be removed from MAXeb.

Views of Responsible Officials:

Medicaid and CHIP Services (MCS) agrees with the recommendation. The issue has been corrected and MCS has implemented the appropriate measures to ensure that permissions within MAXeb are issued according to State guidelines.

Corrective Action Plan:

MCS will continue to monitor account permissions within MAXeb to ensure permissions granted are appropriate.

Implementation Date: Ongoing

Responsible Person: Lino Cardenas

Reference No. 2017-011

Eligibility

(Prior Audit Issues – 2016-014 and 2015-012)

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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

HEALTH AND HUMAN SERVICES COMMISSION

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	

<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

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 69% 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 62 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 compliance exceptions were noted. HHSC has put controls in place to clear interface errors between SSA and TIERS. However during test work we was noted that as of October 8, 2017, 209 of 6,638 interface errors from the June 8, 2017 interface remained unresolved.

Through October 18, 2016 over 800 case worker supervisors in TIERS had 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 was required; however, TIERS did 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 2017 indicated that there was only one case 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:

As noted, as of October 18, 2016, HHSC implemented a system fix to address the override issue. HHSC should continue to monitor controls in place to ensure segregation of duties over eligibility activities. Additionally, HHSC should continue to strengthen controls in place to ensure that exception reports are generated and monitored for SSA and other changes that fail in mass update.

Views of Responsible Officials:

Separation of Duties: Accepted. As indicated in the audit report, HHSC implemented functionality in TIERS to ensure the separation of duties by preventing the disposition of a case by the same user completing the Second Level Review.

HEALTH AND HUMAN SERVICES COMMISSION

HHSC has an ongoing process in place for the weekly monitoring of Separation of Duties reports and will continue to monitor controls in place to ensure segregation of duties over eligibility activities.

HHSC-IT made changes to the exception report process in March 2017 and the teams continue to improve upon the timeliness of corrections and strive for 100% completion within a month of the report. As of January 30, 2018, the oldest exception was created on January 19, 2018. As noted below in the Corrective Action Plan, additional procedural changes will also be instituted by February 28, 2018.

Corrective Action Plan:

Separation of Duties: Not applicable.

Exception Report Process: In order to ensure timely completion of exceptions, management is instituting additional controls for monitoring exceptions including:

1. Set a target for maximum size and age of exception backlog.
2. Define and implement a process to monitor and provide oversight of the exception backlog.

Implementation Dates: Separation of Duties: Fully Implemented
Exception Report Process: February 2018

Responsible Persons: Separation of Duties: Todd Byrnes
Exception Report Process: Mary Catherine Bailey

Reference No. 2017-012

Program Income

(Prior Audit Issues – 2016-017, 2015-015 and 2014-011)

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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 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 Conduent, 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. . HHSC and TMHP are currently testing an automated process to resolve these errors with a planned implementation date of February 2018.

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 sixty-five payments tested for compliance with program income requirements, sixty related to vendor drug rebates tested for compliance with these policies. For six of these payments, the first dunning notice was sent late due to human error. For one of the other payments, the rebates did not have a 45-day dunning notice sent out due to a payment being incorrectly allocated to the invoice prior to the due date of the dunning notice. The payment was later reallocated and the 75 and 105 day notices were appropriately sent.

Vendor drug rebates for clinician-administered drugs collected in fiscal year 2017 for Medicaid totaled approximately \$78.0 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. HHSC has worked with Texas Medicaid & Healthcare Partnership (TMHP) to complete process modifications that will investigate records not processed through the weekly interface in order to resolve errors. Beginning August 1, 2017, the Conduent contract was amended and the dunning notice requirement was deleted.

Corrective Action Plan:

HHSC and TMHP are currently testing an automated process with a planned implementation date of February 2018 to investigate and resolve the data contained in the error reject file containing exceptions not uploaded to Drug Rebate Analysis and Management System (DRAMS). Manual inspection of the data is currently occurring each month and will continue until implementation. No corrective action was required for dunning notices as the contract requirement was deleted. Manufacturers are notified of the amounts they owe through the invoicing process.

Implementation Date: February 2018

Responsible Person: Katherine (KJ) Scheib

HEALTH AND HUMAN SERVICES COMMISSION

Reference No. 2017-013

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

(Prior Audit Issues – 2016-018 and 2015-019)

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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.

HHSC will complete a Statement of Work (SOW) to solicit a vendor for conducting a performance audit. HHSC will complete the procurement process by August 2018 or when certain critical activities and objectives for the department are completed. These critical activities and objectives are specifically related the closeout of the previous claims

administration contract (ended July 31, 2017), startup of the new claims administration contract (August 1, 2017) and permanent replacement of the HHSC contract manager for the claims administration contract.

The timeframe for implementation is intended 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 2018

Responsible Person: Michael Blood

Reference No. 2017-014

Special Tests and Provisions – Utilization Control and Program Integrity

(Prior Audit Issues – 2016-019 and 2015-020)

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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 2017, 39 of a total 40 nursing home reviews selected for test work 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 2017 were selected for test work. Results of test work are as follows:

- One of the complaints was missing provider resolution correspondence.
- Two of the complaints were missing a letter or email sent to the complainant acknowledging the complaint.

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.

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

Views of Responsible Officials:

HHSC-IG: The HHSC Inspector General (IG) is in agreement with the recommendation that long-term care utilization reviews adhere to policy.

HHSC-Managed Care Compliance and Operations (MCCO) is in agreement with the recommendation that HHSC strengthen existing controls to ensure all required documents are included in case files to support final resolution of cases in accordance with policies and procedures.

Corrective Action Plan:

IG-Recommendation: The Inspector General (IG) reviewed rule TAC rule 371.214 (n)(1) that requires the IG to select every Medicaid nursing facility in the state for utilization review in a 15 month period. The IG determined that this method of selection should be revised. The IG initiated the rulemaking process on April 18, 2017. Subsequently, the IG received additional feedback and is considering additional changes to the rule.

MCCO Recommendation: MCCO Research and Resolution Team (RRT) Unit has added a second level case review. RRT Unit Managers will conduct a thorough second level case reviews for each technician, to ensure all documents are uploaded properly in the HEART database. The results are shared with technicians, so that corrections to the cases, can be made within the system. Staff will continue to receive training (including peer to peer reviews) on policies and procedures to ensure compliance and discuss noticed trends.

*Implementation Dates: IG - December 2018
MCCO - On-going: Standard operational monitoring, training and procedures will continue.*

Responsible Persons: Judy Knobloch and Michael Osborne

Reference No. 2017-015

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

(Prior Audit Issues – 2016-020 and 2015-021)

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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. At the time seven in-house Medicaid systems were identified by HHSC as requiring ADP Risk Analysis. In the biennial period including fiscal years 2016 and 2017, two of these systems had risk assessment reviews in fiscal year 2016 and none of the remaining systems had risk assessment reviews in 2017. In addition to the in-house Medicaid Systems identified, there are several Medicaid operations which are managed by service organizations that are not included in the seven systems mentioned above that are considered to be under the risk assessment review procedures.

Since the 2015 evaluation of Medicaid systems requiring risk assessment mentioned above, HHSC has continued its update of SysCat, HHSC’s enterprise-wide repository for approved HHS systems, to include both in-house and third party systems. Based on a SysCat listing provided by HHSC and filtered to identify Medicaid systems, SysCat includes over 50 systems and subsystems used in the administration of Medicaid. HHSC has not performed an updated determination of systems that are subject to review in accordance with 45 CFR 95.621.

Recommendation:

HHSC should implement controls to ensure the completeness of the list of Medicaid ADP systems requiring review in accordance with 45 CFR 95.621 and ensure the list includes both in-house Medicaid ADP systems and systems operated by service organizations. The completeness of this list should be continually reevaluated to ensure it includes all Medicaid ADP systems and that all systems subject to the ADP system risk analysis and system security review requirements have a review performed at a minimum on a biennial basis.

Views of Responsible Officials:

The prior finding was to review the process and controls for maintaining SysCat to ensure all active Medicaid ADP systems are included. The team understood Medicaid ADP systems to be the Medicaid Management Information System. With the clarification received during this audit that Medicaid ADP systems includes any systems receiving Medicaid funding, the team will further refine SysCat to support the required assessments.

Corrective Action Plan:

A change request will be submitted to add a flag to SysCat to indicate if a system receives Health and Human Services (HHS) funding and is subject to review as specified in 45 CFR 95.621.

Implementation Date: August 2018

Responsible Persons: P.J. Fritsche

Reference No. 2017-016

Special Tests and Provisions – Provider Health and Safety Standards

(Prior Audit Issues – 2016-021, 2015-026, 2014-015 and 2013-017)

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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 2017, 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.

Corrective Action Plan:

HHSC has directed the provider enrollment contractor to implement a system project for Screening of Providers to the Termination Notification Database (TIBCO). The TIBCO project has been approved upon implementation and will perform an annual check on the providers' Medicare numbers where required to ensure that they are current and up to date including for out of state providers.

HHSC will implement a new monitoring control over the contractor's provider enrollment services. The monitoring control (protocol) will be developed to independently verify that the contractor has complied with performance expectations and expected outcomes of the provider enrollment business process. The monitoring protocol will be in addition to the monthly Key Measure performance validation process and will cover expectations of the TIBCO project, state plan and policy requirements. HHSC will conduct a risk assessment to determine the appropriate frequency for conducting the new monitoring control.

Implementation Date: November 2018

Responsible Person: Michael Blood

Reference No. 2017-017

Special Tests and Provisions – Provider Eligibility

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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. 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 outsources provider eligibility to a service organization. Currently, HHSC has a monitoring control in place to review certain contractual requirements agreed to with the service organization, however the control is not designed to ensure that the service organization is obtaining the information necessary to comply with federal requirements and state policy including the requirements of 42 CFR Section 455.106 discussed above. A sample of 65 providers receiving Medicaid payments during fiscal year 2017 were selected for review. No compliance exceptions were noted.

Recommendation:

HHSC should enhance monitoring controls in place over the services being provided by the service organization to ensure federal regulations, state plan and state policy requirements are being met regarding provider eligibility.

HEALTH AND HUMAN SERVICES COMMISSION

Views of Responsible Officials:

Accepted. HHSC will implement new monitoring controls over the services provided by the service organization (TMHP) to ensure federal regulations, state plan and state policy requirements are being met regarding provider eligibility, and specifically 42 CFR Section 455.106(a).

Corrective Action Plan:

HHSC will direct TMHP to implement controls within the provider enrollment business area to require applicants for enrollment to disclose 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.

HHSC will implement contract monitoring to ensure that TMHP is performing the new provider enrollment controls as part of its monitoring for Key Measure PRV-0088. HHSC will ensure that TMHP is notifying the HHSC Inspector General as soon as possible of any criminal conviction disclosures so that notification can be made to HHS-IG within 20 working days.

Implementation Date: November 2018

Responsible Person: Michael Blood

Reference No. 2017-018

Eligibility

(Prior Audit Issues – 2016-022 and 2015-013)

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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

HEALTH AND HUMAN SERVICES COMMISSION

Through October 18, 2016 over 800 case worker supervisors in TIERS had 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 was required; however, TIERS did 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 2017 indicated that there was only one case 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:

As noted, as of October 18, 2016, HHSC implemented a system fix to address the override issue. HHSC should continue to monitor controls in place to ensure segregation of duties over eligibility activities.

Views of Responsible Officials:

Accepted. As indicated in the audit report, HHSC implemented functionality in Texas Integrated Eligibility Reporting System (TIERS) to ensure the separation of duties by preventing the disposition of a case by the same user completing the Second Level Review. HHSC has an ongoing process in place for the weekly monitoring of Separation of Duties reports and will continue to monitor controls in place to ensure segregation of duties over eligibility activities.

Corrective Action Plan:

Fully Implemented.

Implementation Date: Fully Implemented

Responsible Person: Todd Byrnes

Reference No. 2017-019

Period of Performance

CFDA 93.667 – Social Services Block Grant

Award year – October 1, 2016 to September 30, 2018

Award number – G1701TXSOSR

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.309, 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. 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.

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

Ten samples were selected from the first 60 days of the fiscal year 2017 grant period which are from October 1, 2016 to November 29, 2016. For one of the samples, the service date for the voucher was September 1, 2016, prior to the grants beginning date. Per review of the voucher, the expense was otherwise allowable. Through investigation, it was noted that expenditures charged to Department ID 868F and Project XX100F-MOS17 with service dates prior to

HEALTH AND HUMAN SERVICES COMMISSION

October 1, 2016 were effected. The cumulative amount of the expenditures to which the incorrect grant was approximately \$397,152. A subsequent adjustment was made to adjust the expenditures to the appropriate grant year.

In 2015, Texas Health and Human Services (HHS) began a reorganization to produce a more efficient, effective, and responsive system, deemed the transformation process. The expenditures effected by the error had come over to HHSC during the transformation process due to the moving of services from the Department of Aging and Disability Services (DADS) to HHSC. The coding provided to the interface partners to translate the expenditures from DADS into HHSC compatible coding was not complete and accurate.

Recommendation:

HHSC should ensure that expenditures are being charged to the appropriate grants and that any adjustments are being performed in a timely manner. HHSC should implement a control to ensure that the coding provided in order to make other agency expenditures compatible with HHSC systems in relation to the transformation process is complete and accurate.

Views of Responsible Officials:

Accepted. HHSC Accounting, Budget and Claims Support have identified the issue in the cross-walk set-up used in the Claims Management System (CMS) which interfaces with HHSC's accounting system. Correcting entries were completed in AY 2018.

Corrective Action Plan:

Claims Support has updated their Policy and Procedures to address the Title XX codes to include the following:

- 1. Claims Support (CS) System Analyst meets with Health and Human Services (HHSC) Fiscal in July to determine any changes to Accounting codes for the next FY.*
- 2. HHSC Fiscal provides a new Claims Management Systems (CMS) Fiscal Account Table each year that lists valid Accounting combinations for the next FY:*
 - Title XX combinations, validated with HHSC Accounting the begin date.*
 - NOTE: The begin date should be October 1st, instead of September 1st.*
- 3. CS System Analyst adds new entries to the CMS Fiscal Account Code Table for all active bill codes.*
 - NOTE: Add entries by the second week in August to allow sufficient time for Texas Medicaid & Healthcare Partnership (TMHP) to load entries before September 1 effective date.*

In addition, HHSC Accounting, Budget Office and Claims Support need to improve communications between functional areas with regards to coding coordination.

Implementation Date: September 2017

Responsible Persons: Robert Brown, Debbie Wilson, Trinity Raines, and Randolph Lovejoy

Reference No. 2017-020

Subrecipient Monitoring

(Prior Audit Issue – 2016-023)

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2016 to September 30, 2018 and October 1, 2015 to September 30, 2017

Award numbers – G1701TXSOSR and G1601TXSOSR

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency and Non-Compliance

The Family Violence Program team coordinates the subrecipient monitoring process for the Family Violence Program (FVP) and the Behavioral Health Services Section team coordinates the subrecipient monitoring process for the Mental Health Program (MH) at the Health and Human Services Commission (HHSC). Family Violence programs and Mental Health 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 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	

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 the indirect cost rate for the Federal award (including if the de minimis rate is charged). The pass through entity also must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement. The following were noted for all 9 (FVP) and 9 (MH) sampled subrecipients:

FVP:

- The indirect cost rate was not incorporated in the fiscal year 2017 contracts.

MH:

- The indirect cost rate was not incorporated in the fiscal year 2017 contracts.
- Contracts also did not include the Federal Agency name.
- Subrecipients were not informed of the CFDA number at the time of disbursement.

Additionally the following was noted specific to MH - Per 2 CFR Section 200.343, the Federal awarding agency or pass-through entity will close-out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity. The Federal awarding agency or pass-through entity should complete all closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports. Neither the fiscal year 2016 nor the fiscal year 2015 contracts were closed out during fiscal year 2017 for Mental Health due to staffing constraints.

Additionally the following was noted specific to FVP - 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. The onsite review includes review of the TANF Forms for declaration of income levels. Per 42 USC 604(d)(3)(A) and 9902(2), the State shall use all of the amount transferred in from TANF (CFDA 93.558) only for programs and services to children or their families whose income is less than 200 percent of the official poverty guideline as revised annually by HHS. FVP passes this requirement through to its subrecipients and monitors through review of TANF Forms. For two of nine onsite review samples, the Contract Manager did not document whether the TANF Forms were verified for the selected clients per review of the fiscal year 2017 Shelter Site Visit Tool. Per review of the tool, column (i) "TANF Form Verified" was removed in the fiscal year 2017 form and thus the managers did not have a column to fill in documenting their review. While some managers created their own

column or used the comment boxes to document their review of TANF forms, these selections had no documentation over the review that was performed for TANF forms.

The total amount provided to subrecipients by HHSC for the fiscal year ended August 31, 2017 was \$28.4 million of which FVP accounted for \$11.5 million and MH accounted for \$15.1 million.

Recommendation:

- HHSC should ensure that all requirements are incorporated into MH and FVP contracts.
- HHSC should implement a control procedure for ensuring the CFDA number is verified at time of disbursement for MH. HHSC should also ensure that contracts are being closed out timely in accordance with regulations for MH.
- HHSC should incorporate TANF Form verification back into the Shelter Site Visit Tools for FVP. HHSC should also implement stronger controls to ensure precise reviews of onsite documentation for FVP.

Views of Responsible Officials:

Family Violence: Contract Requirements: This finding was identified in the fiscal year 2016 KPMG audit. As stated in last year's accepted corrective action plan, the Family Violence Program (FVP) updated the contract language in the fiscal year 2018 contracts.

TANF Form Verification: The FVP agrees with this finding.

Behavioral Health Services (BHS): Accepted. HHSC BHS will incorporate the specified requirements into Mental Health (MH) contracts, provide CFDA number at disbursement, and close-out contracts in accordance with regulations.

Corrective Action Plan:

Family Violence:

- *Contract Requirements: The FVP's fiscal year 2018 contracts were amended to include the indirect cost rate and identify the availability of the de minimis rate.*
- *TANF Form Verification: The FVP has updated the fiscal year 2018 monitoring tool to ensure that TANF verification is reviewed and documented.*

Behavioral Health Services:

- *HHSC BHS will update procedures to incorporate these requirements into MH contracts and evaluate system and resource constraints to identify and address action(s) needed to comply with contract close-out and provision of CFDA number at time of disbursement.*

*Implementation Dates: FVP considers both findings fully implemented.
BHS: January 2019*

Responsible Persons: Laurie Shannon and Tom Best

Reference No. 2017-021

Subrecipient Monitoring

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

Award years – October 1, 2016 to September 30, 2018 and October 1, 2015 to September 30, 2017

Award numbers – 2B08TI010051-17 and 2B08TI010051-16

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency and Non-Compliance

The Behavioral Health Services Section coordinates the subrecipient monitoring process for the Block Grants for Prevention and Treatment of Substance Abuse (SABG) at the Health and Human Services Commission (HHSC). 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 the indirect cost rate for the Federal award (including if the de minimis rate is charged). In addition, the approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government should be used, or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate.

HHSC is not applying the correct indirect cost rates for Federal awards per the regulations when the subrecipient has an existing federally recognized indirect cost rate. When the subrecipient does not have a federally recognized indirect cost rate, HHSC is negotiating methodologies for applying indirect costs rather than rates. These methodologies are only being validated through periodic onsite reviews.

Recommendation:

HHSC should apply federally negotiated indirect cost rates to subrecipient contracts who have a federally negotiated rate. For subrecipients who do not have a federally negotiated indirect cost rate, HHSC should work with the subrecipient to obtain an indirect cost rate or determine if the subrecipient is eligible for the de minimis 10% rate.

Views of Responsible Officials:

Accepted. HHSC will research methodology for indirect cost rate as appropriate to comply with Uniform Grant Guidance; this includes determining an appropriate approach for pass-through funding to treatment providers.

Corrective Action Plan:

HHSC will update procedures for subrecipient contracts to apply federally negotiated indirect cost rate or determine eligibility for use of the de minimis indirect cost rate in the absence of a federally negotiated indirect cost rate. HHSC will research methodologies in determining an appropriate approach and instrument to provide pass-through funding to treatment providers.

Implementation Date: HHSC anticipates that appropriate action may roll out in stages as procedures are finalized and it may take multiple years to determine appropriate contract structure to reprocur substance abuse treatment services throughout the state

Responsible Person: Tom Best

Reference No. 2017-022

Special Tests and Provisions – Independent Peer Reviews

(Prior Audit Issues – 2016-032 and 2015-039)

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

Award years – October 1, 2016 to September 30, 2018 and October 1, 2015 to September 30, 2017

Award numbers – 2B08TI010051-17 and 2B08TI010051-16

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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, the Texas Department of Health and Human Services (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.

As of May 2016 when the program was under the Texas Department of State Health Services (DSHS), policies regarding 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 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.

Upon transition of the Block Grants for Prevention and Treatment of Substance Abuse to HHSC, Office of Behavioral Health Contractor Services began facilitating an independent peer review process as part of the Substance Abuse and Mental Health Services Administration (SAMHSA) block grant oversight process. The Quality Management Unit (QM) facilitated the peer review in fiscal year 2017. In performing their review, the QM branch manager reviewed the selection of entities selected for peer review. However, evidence of review was not maintained. No compliance exceptions were noted.

Recommendation:

HHSC should monitor implementation of the updated policy stated above to ensure that the review process is adequately documented and evidence of review is maintained.

Views of Responsible Officials:

Accepted. HHSC will monitor implementation of the updated policy to ensure the review process is adequately documented and evidence of review maintained.

Corrective Action Plan:

HHSC will update procedure to account for and maintain documentation of the selection review process.

Implementation Date: September 2018

Responsible Person: Tom Best

Health and Human Services Commission
Department of State Health Services

Reference No. 2017-023

Procurement and Suspension and Debarment

(Prior Audit Issues – 2016-026 and 2015-024)

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

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

Award numbers – 6TX700506 and 6TX700526

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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

Questioned Cost: \$166,567

 U.S. Department of Agriculture
 U.S. Department of Health and
 Human Services

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.

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 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 and 20 DSHS Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) purchases. Results of test work are as follows:

HHSC TANF:

- For three samples, the files did not contain the required TCI waiver form per the Prison Made Goods Act. Purchase order (PO) amounts were approximately \$1,236.
- For six samples, the files noted that the HUB search was performed by vendor name and not by item code. PO amounts were approximately \$13,523.
- 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 \$47,371.
- 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 \$100,053.
- For two samples, 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 amounts were approximately \$3,681.
- For one sample, PCS utilized CCG to solicit printing services and did not use the CCG recommended vendor. There was no clear evidence to document the purchase was the best value nor was there a justification as to why an alternate vendor was selected. PO amounts were approximately \$703.

DSHS WIC:

- No exceptions were noted.

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. Currently, PCS performs a review of POs without requisitions. However, this review is not formally documented or approved.

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:

Procurement and Contracting Services (PCS) agrees with the recommendation.

Corrective Action Plan:

Two procurement quality auditors to perform quality control (QC) that were anticipated to be hired in FY17 were hired January 2018. Delay in hiring these two positions were due to the hiring freeze in January 2017. Currently, PCS Training and Policy is working on filling three positions due to staff resignations and once filled will be utilized to help form and modify policies as well as conduct training to ensure compliance with purchasing regulations. During July 2017 thru January 2018, current policy staff were utilized to conduct procurement training to PCS purchasers on the HHSC upgraded financial system, CAPPs 9.2.

On September 5, 2017, HHS replaced the HHSAS Financials, the Financial PeopleSoft system, with CAPPs Financials 9.2 which allows HHS to improve and streamline the agency's business processes related to the requisition, purchasing, solicitation, and contract creation processes. 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.

HHSC PCS Procurement Manual has been revised to further facilitate compliance with state and federal regulations. Currently, executive management is reviewing the revisions and when their review is complete, final revisions will be completed, if necessary, prior to posting on website

Implementation Date: September 2018

Responsible Person: Michael D. Parks

Reference No. 2017-024

Allowable Costs/Cost Principles

(Prior Audit Issues – 2016-027, 2015-023, 2014-012, 2013-021 and 13-14)

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

Award years – October 1, 2016 to September 30, 2018, October 1, 2015 to September 30, 2017, and October 1, 2014 to September 30, 2016

Award numbers – 2B08TI010051-17, 2B08TI010051-16, and 2B08TI010051-15

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Non-Major Programs:

CFDA 93.767 – Children’s Health Insurance Program

CFDA 93.958 – Block Grants for Community Mental Health Services

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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

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

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.

HHSC has a managed care program through a section 1115 waiver. 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

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. No inappropriate changes were noted to rates or risk groups within PPS as a result of this access.

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.

Recommendation:

HHSC has made progress in correcting segregation of duties issues noted and has a plan to continue to enhance controls over the process. 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 the developers read only group. 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 the developers read only group.

The Application Manager requests 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 reviews the report to validate that all users have the appropriate access. The first validation occurred in January 2017 and have continued on a quarterly basis, however the review documentation was not consistently maintained.

Corrective Action Plan:

The subsequent quarterly reviews will be documented by the Application Manager in the Medicaid Systems Application Team SharePoint site.

Implementation Date: February 2018

Responsible Person: P.J. Fritsche

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

Reference No. 2017-025

Allowable Costs/Cost Principles

Cash Management

Matching, Level of Effort, and Earmarking

Period of Performance

Reporting

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

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

Award numbers – 6TX700506 and 6TX700526

CFDA 93.268 – Immunization Cooperative Agreements

Award years – April 1, 2017 to June 30, 2018 and January 1, 2016 to December 31, 2016

Award numbers – 5NH23IP000773-05 and 5H23IP000773-04

CFDA 93.556 – Promoting Safe and Stable Families

Award years – October 1, 2016 to September 30, 2018, October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016

Award numbers – 1701TXFPSS, 1701TXFPCV, 1601TXFPSS, 1601TXFPCV, 1501TXFPSS, and 1511TXFPCV

CFDA 93.658 – Foster Care–Title IV–E

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

Award numbers – 1701TXFOST and 1601TXFOST

CFDA 93.659 – Adoption Assistance – Title IV-E

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

Award numbers – 1701TXADPT and 1601TXADPT

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2016 to September 30, 2018 and October 1, 2015 to September 30, 2017

Award numbers – G1701TXSOSR and G1601TXSOSR

CFDA 93.917 – HIV Care Formula Grants

Award years – April 1, 2017 to March 31, 2018 and April 1, 2016 to March 31, 2017

Award numbers – X07HA00054-27 and X07HA00054-26

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

Award years – October 1, 2016 to September 30, 2018, October 1, 2015 to September 30, 2017, and October 1, 2014 to September 30, 2016

Award numbers – 2B08TI010051-17, 2B08TI010051-16, and 2B08TI010051-15

Disability Insurance/SSI Cluster

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

Award numbers – 1704TXD100 and 1604TXD100

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency

HEALTH AND HUMAN SERVICES COMMISSION

Per 2 CFR 200.303, the Health and Human Services Commission, Department of State Health Services, Department of Aging and Disability Services, and Department of Family and Protective Services (collectively 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 PeopleSoft's General Ledger (referred to at HHSC as HHSAS) as a financial management application and PeopleSoft's Human Capital Management (HCM) system (referred to at HHSC as CAPPS HR) as an HR/Payroll application.

Questioned Cost: \$0

U.S Department of Agriculture
Social Security Administration
U.S. Department of Health and
Human Services

HHSC has a process in place to utilize the STAT tool to perform program changes for HHSAS and CAPPs HR. STAT workflow requires a financial user to perform the approval for migration and to confirm that the developer and migrator is different. Seven HHSAS developers and three CAPPs HR developers have access to bypass the STAT tool through access to Application Designer. 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 introduces the risk of unauthorized changes to applications and data. Developers should not have access to migrate changes to the production environment. All program changes during the period were found to follow the workflow in STAT.

Five HHSAS developers and two CAPPs HR developers also have access to Data Mover. DataMover is a PeopleSoft tool granting the ability to modify application data and run SQL statements in the production database. The existence of developers with access to DataMover introduces the risk of unauthorized changes to production data. In addition, five HHSAS developers have access to system administrator functions within the application that allow the ability to delete roles, delete users, and change passwords. Three CAPPs HR developers also have access to system administrator functions within the application including the ability to provision new users and roles. Developers should not have access privileges above read-only in the production database or application.

HHSC relies on information produced from HHSAS and CAPPs HR to comply with various aspects of compliance requirements including Allowable Costs/Cost Principles, Activities Allowed or Unallowed, Cash Management, Matching, Level of Effort and Earmarking, Period of Performance, and Reporting. No compliance exceptions were noted with regard to the use of HHSAS or CAPPs HR data in the analysis related to the applicable compliance requirements.

Recommendation:

HHSC should properly segregate duties so that developers do not have Application Designer and Data Mover access to the production environment. If developers are determined to need access to production, adequate approval for temporary access and monitoring controls should be in place. With the decommissioning of HHSAS at the end of fiscal year 2017 HHSC should ensure these processes are in place in the new CAPPs Financials environment.

Views of Responsible Officials:

HHSC IT agrees with the recommendation that duties should be properly segregated so developers do not have Application Designer, Data Mover, and Maintain Security access in the Production CAPPs Financials environment and CAPPs HCM 9.2 production environments.

Corrective Action Plan:

HHSC IT CAPPs Financials Manager and HCM Manager will submit requests to the HHSC IT Access Management/Provisioning (CAPPs Security) Team to make the following security updates to all HHSAS 8.8 environments, CAPPs Financials 9.2, and CAPPs HCM 9.2 production environments:

1. *Remove/uncheck Data Mover from all Role/Permissions lists in Production environments.*

2. *Update Role/Permissions related to App Designer to make all Objects 'Read Only' in all Production environments.*
3. *Implement a process for the CAPPS Financials Support team and CAPPS-HCM Support Team to request temporary access to Data Mover or Application Designer in the event it is required to correct a Production CAPPS Financials or Production CAPPS-HCM issue or to migrate modifications that require these permissions. The process will include steps for removing access once issue or migration is complete.*
4. *Update Role/Permissions related to the Maintain Security menu to ensure 'Inquiry Only' access for Developers and DBAs in all Production environments.*

Implementation Date: February 2018

Responsible Persons: Lisa Cole, Chuck Renshaw, and Karen Peschke

Reference No. 2017-026

Subrecipient Monitoring

(Prior Audit Issues – 2016-025, 2015-025 and 2014-013)

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

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

Award numbers – 6TX700506 and 6TX700526

CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States

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

Award numbers – H126A170092, H126A170093, H126A160092, and H126A160093

CFDA 93.556 – Promoting Safe and Stable Families

Award years – October 1, 2016 to September 30, 2018, October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016

Award numbers – 1701TXFPSS, 1701TXFPCV, 1601TXFPSS, 1601TXFPCV, 1501TXFPSS, and 1511TXFPCV

CFDA 93.658 – Foster Care–Title IV–E

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

Award numbers – 1701TXFOST and 1601TXFOST

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2016 to September 30, 2018 and October 1, 2015 to September 30, 2017

Award numbers – G1701TXSOSR and G1601TXSOSR

CFDA 93.917 – HIV Care Formula Grants

Award years – April 1, 2017 to March 31, 2018 and April 1, 2016 to March 31, 2017

Award numbers – X07HA00054-27 and X07HA00054-26

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

Award years – October 1, 2016 to September 30, 2018, October 1, 2015 to September 30, 2017, and October 1, 2014 to September 30, 2016

Award numbers – 2B08TI010051-17, 2B08TI010051-16, and 2B08TI010051-15

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

Award years – Various

Award numbers – FEMA-1606-DR, FEMA-1709-DR, FEMA-1780-DR, FEMA-1791-DR, FEMA-1931-DR, FEMA-1999-DR, FEMA-4029-DR, FEMA-4136-DR, FEMA-4159-DR, FEMA-4223-DR, FEMA-4245-DR, FEMA-4255-DR, FEMA-4266-DR, FEMA-4269-DR, FEMA-4272-DR, FEMA-4332-DR

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

HEALTH AND HUMAN SERVICES COMMISSION

Special Education Cluster (IDEA)

Award years – July 1, 2016 to September 30, 2018, July 1, 2015 to September 30, 2017, and July 1, 2014 to September 30, 2016

Award numbers – H027A160008, H173A160004, H027A150008, H027A150008-15B, H173A140004 and H027A140008-14B

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

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

93.048 – Special Programs for the Aging_ Title IV, and Title II, Discretionary Projects

93.051 – Alzheimer's Disease Demonstration Grants to States

93.052 – National Family Caregiver Support, Title III, Part E

93.069 – Public Health Emergency Preparedness

93.071 – Medicare Enrollment Assistance Program

93.072 – Lifespan Respite Care Program

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

93.103 – Food and Drug Administration Research

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

93.296 – State Partnership Grant Program to Improve Minority Health

93.323 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

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

93.539 – PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds

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

93.671 – Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services

93.674 – Chafee Foster Care Independence Program

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

93.870 – Maternal, Infant and Early Childhood Home Visiting Grant 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 and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency and Non-Compliance

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.

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 Housing and Urban Development	
U.S. Department of Homeland Security	

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.

HHSC – IG is responsible for collecting Single Audits performed over subrecipients of the four agencies in the Health and Human Services (HHS) enterprise: HHSC, Department of State Health Services (DSHS), Department of Aging and Disability Services (DADS), and Department of Family and Protective Services (DFPS).

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 four 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. If the subrecipient indicates that they do not require a Single Audit, they are required to submit their financial statements to HHSC-IG. HHSC-IG uses the information in the form 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 as validation against expenditures passed through to subrecipients is not incorporated in the process. In addition, controls are not in place to ensure timely verification of subrecipient’s financial statements to ensure that those indicating a Single Audit is not required is accurate. Processes are in place to ensure timely issuance of delinquency letters. However, the control is not at the correct precision level to ensure that adequate follow up is performed for subrecipients who did not complete the Single Audit Status Form as noted in specific exceptions below, resulting in Single Audits not being obtained.

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. 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.

A sample of 49 subrecipients were selected among DSHS, HHSC, and DFPS as subrecipient monitoring was in scope for these three agencies. Of the subrecipients tested, the following were noted:

HEALTH AND HUMAN SERVICES COMMISSION

- Three subrecipients’ Single Audit State Forms and Single Audit reports were never received and adequate follow up was not taken with the subrecipient. As such, no information was received. Counts by program as follows:
 - HHSC 93.959 Block Grants for Prevention and Treatment of Substance Abuse (SABG) – two
 - DFPS 93.556 Promoting Safe and Stable Families (PSSF) – one

- Two subrecipients’ management decision letters were issued after the six month deadline. Counts by program are as follows:
 - HHSC TANF Cluster – one
 - DFPS 93.556 PSSF – one

- Nine subrecipients who self-reported having less than \$500,000 in federal expenditures did not submit a copy of their financial statements as required by HHSC-IG. Counts by program are as follows:
 - HHSC 93.667 Social Services Block Grant (SSBG) – eight
 - HHSC TANF Cluster - one

Below is a list of all amounts within the schedule of federal awards that were passed through to subrecipients for HHSC, DSHS, DPFS, and DADS during fiscal year 2017.

CFDA Number	Program Name	Non-State Entities Amount
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	\$128,586,121
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10,042,719
14.241	Housing Opportunities for Persons with AIDS	2,583,847
84.027	Special Education Grants to States	5,066,383
84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States	7,031,324
84.181	Special Education-Grants for Infants and Families	42,660,075
93.041	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploration	29,741
93.042	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploration	107,513
93.043	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	114,593
93.044	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	3,147,683
93.045	Special Programs for the Aging_Title III, Part C_Nutrition Services	4,139,061
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	17,037
93.051	Alzheimer's Disease Demonstration Grants to States	112,208
93.052	National Family Caregiver Support, Title II, Part E	750,858
93.053	Nutrition Services Incentive Program	908,603
93.069	Public Health Emergency Preparedness	339,945

HEALTH AND HUMAN SERVICES COMMISSION

CFDA Number	Program Name	Non-State Entities Amount
93.071	Medicare Enrollment Assistance Program	825,138
93.072	Lifespan Respite Care Program	178,904
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance	19,578
93.074	Hospital Preparedness Program (HPR) an Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	31,290,174
93.103	Food and Drug Administration Research	35,919
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Program	3,755,012
93.150	Projects for Assistance in Transition from Homelessness (PATH)	5,440,004
93.235	Affordable Care Act (ACA) Abstinence Education Program	7,277,621
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	2,354,616
93.251	Universal Newborn Hearing Screening	35,412
93.296	State Partnership Grant Program to Improve Minority Health	88,614
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	406,876
93.324	State Health Insurance Assistance Program	406,695
93.369	ACL Independent Living State Grants	1,048,844
93.505	Affordable Care (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	9,875,864
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	7,466,789
93.556	Promoting Safe and Stable Families	5,296,278
93.558	Temporary Assistance for Needy Families	17,294,334
93.566	Refugee and Entrant Assistance_State Administered Programs	28,036,429
93.576	Refugee and Entrant Assistance_Discretionary Grants	250,239
93.584	Refugee and Entrant Assistance_Targeted Assistance Grants	1,659,533
93.590	Community-Based Child Abuse Prevention Grants	1,595,035
93.658	Foster Care_Title IV-E	4,019,140
93.667	Social Services Block Grant	29,303,294
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	6,139,230
93.674	Chafee Foster Care Independence Program	1,025,439
93.752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds (PPHF)	3,872,915

HEALTH AND HUMAN SERVICES COMMISSION

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)	10,416
93.758	Preventative Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	1,663,213
93.778	Medical Assistance Program	7,567,889
93.791	Money Follows the Person Rebalancing Demonstration	5,562,011
93.817	Hospital Preparedness Program (HP) Ebola Preparedness and Response Activities	1,500,889
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program	1,176,914
93.917	HIV Care Formula Grants	21,937,530
93.940	HIV Prevention Activities_Health Department Board	9,761,775
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	673,946
93.945	Assistance Programs for Chronic Disease Prevention and Control	14,009
93.958	Block Grants for Community Mental Health Services	36,586,247
93.959	Block Grants for Prevention and Treatment of Substance Abuse	154,728,644
93.977	Preventive Health Services_Sexually Transmitted Diseases Control Grants	4,510,834
93.982	Mental Health Disaster Assistance and Emergency Mental Health	3,634,928
93.991	Preventive Health and Health Services Block Grant	1,277,200
93.994	Maternal and Child Health Services Block Grant to the States	11,730,921
97.032	Crisis Counseling	644,556
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	373
	Total	<u>\$637,617,932</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, verifying the accuracy of those subrecipients indicating that a single audit is not required, and performing due diligence for any information not received from subrecipients in a timely manner.

Views of Responsible Officials:

Accepted. HHSC (Inspector General) IG has already implemented significant process enhancements in this area. The single audit desk review function has been transferred to HHSC Procurement and Contracting Services (PCS) as of September 1, 2017. As the exceptions were identified throughout the audit, PCS and HHSC IG have worked together to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

In State Fiscal Year 2017, the single audit desk review process was streamlined to enhance efficiency and capacity of the reviewers. A checklist was developed to focus attention on the required elements of Uniform Grant Guidance. The checklist was fully implemented as of March 31, 2017. The single audit desk review staff were able to complete more than 450 single audit desk reviews, which eliminated the back log that existed in previous years.

The single audit review function transferred from the HHSC IG to HHSC PCS Contract Administration (CA) on September 1, 2017. PCS CA relies on PCS Contract Oversight and Support (COS) for coordinating with the appropriate departments within the Health and Human Services System to identify all subrecipients. COS will utilize expenditures to confirm the accuracy of the recipient/subrecipient list by April 30, 2018.

The Single Audit Unit (SAU) has enhanced procedures and implemented a comprehensive tracking system to ensure collection of the single audit reports and financial statements, issuance of management decisions, verification of the accuracy of subrecipients which do not require a single audit, and performance of due diligence for information not received in a timely manner. SAU also enhanced the Single Audit Request Letter to clarify that all entities must submit a copy of their financial statements, whether or not a single audit is required, no later than nine months after the entity's fiscal year-end. During January 2018, further enhanced procedures were implemented for following up on subrecipients who did not complete an online determination, or submit a single audit report and/or financial statements by notifying COS of the delinquencies so that they can coordinate with the appropriate contracting area to obtain the single audit reporting packages and financial statements and impose adverse action measures, as appropriate.

To ensure timely processing of management decision letters, SAU management staff reviews the tracking system on at least a weekly basis to ensure that auditors are on schedule to complete their reviews and issue management decision letters by the applicable due date.

Implementation Date: Various Noted

Responsible Person: Heather Shields

Department of Public Safety

Reference No. 2017-027

Subrecipient Monitoring

(Prior Audit Issues – 2016-029 and 2015-031)

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

Award years – See below

Award numbers – See below

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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 as well as other required information such as CFDA number at the time of each disbursement and indirect cost rate for the Federal award (including if the de minimis rate is charged). Per 2 CFR 200.303, DPS must also 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	

The procedures performed over subrecipient monitoring noted the following:

- For fiscal year 2017, notification of the 10% de minimis indirect cost rate was not offered to subrecipients as required. However, it was noted that DPS did include this as part of the Grant Terms and Conditions for fiscal year 2018 subawards.
- CFDA notification in the payment description for subrecipient payments was added to accounts payable procedures effective November 1, 2016, with no exceptions noted in our sample selections after this date. However, no control was in place to ensure the completeness and accuracy of this process as it is done manually by one individual at the time the payment is entered.
- The risk assessment process for subrecipients was also delegated to third party affiliates with little to no oversight or review performed by DPS to ensure these risk assessments were appropriately completed and subrecipients were monitored accordingly.
- Lastly, large projects under Public Assistance are required by Federal Emergency Management Agency (FEMA) to have quarterly reports submitted; however, no process was in place by DPS' Department of Emergency Management (TDEM) for fiscal year 2017 to monitor the receipt and review of these quarterly reports from subrecipients. Of the 16 large project samples selected for testing, four were missing one or more required FEMA quarterly reports.

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, DPS' TDEM put a new policy in place in the middle of fiscal year 2017 to verify the completion of 20% of small projects to support certification of small projects. There were approximately 774 small projects selected for site inspections in late 2017 to make up the 20% selection, of which 112 of these projects closed in fiscal year 2017. Of the 112 of these projects, 17 were sampled. Three of the project worksheets sampled did not have a site inspection. It was determined that one of these should not have been included in the population as it was 100% complete when the selection process was performed. The other two samples had closed out before the 20% selection process was completed, and although selected, was not designated as needing a site inspection at the time the project

PUBLIC SAFETY, DEPARTMENT OF

worksheet was closed due to a gap in the timing of the selection process and when the project closed. DPS noted that completion of the site inspection is also reviewed at account closeout, however, these accounts had not yet been closed, only the projects selected. Furthermore, DPS reviews the projects at closeout to determine if a site inspection was required and completed; however, there is no current process to monitor the overall progress of the completion of the 20% selected for the year, thereby ensuring compliance with the 20% policy. There is also no review of the selection process itself of the 20% of small projects up front, as this process was done by one individual in fiscal year 2017.

Open disasters during fiscal year 2017 were:

Disaster Number	Award Number	Disaster Declaration Date
1606	1606DRTXP00000001	September 24, 2005
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
4245	4245DRTXP00000001	November 25, 2015
4255	4255DRTXP00000001	February 9, 2016
4266	4266DRTXP00000001	March 19, 2016
4269	4269DRTXP00000001	April 25, 2016
4272	4272DRTXP00000001	June 11, 2016
4332	4332DRTXP00000001	August 25, 2017

Recommendation:

DPS should establish controls to ensure policies regarding reviews of small project completion are followed including review of 20% small project selection process and progress monitoring of the 20% selected for the year, facilitating DPS' certification of small projects in accordance with FEMA requirements. In addition, DPS should establish monitoring controls over the risk assessment process to ensure the risk assessments are being completed and the subrecipient is receiving the appropriate monitoring according to their risk assessment score. For subrecipient payments DPS needs to establish a review control to ensure that notification of CFDA is being completely and accurately entered. Finally, DPS needs to implement monitoring controls over the quarterly reports submitted for large projects as required by FEMA.

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 the review of small projects and the progress monitoring of small project reviews to facilitate the Department's certification of small projects in accordance with FEMA requirements. The Department has established a role of Recovery Coordinator and is developing training plans to ensure Recovery Coordinators understand their role to ensure risk assessments are completed and the subrecipients are receiving appropriate monitoring and to ensure quarterly reports are submitted for large projects as required by FEMA. To ensure the accuracy of CFDA notifications on subrecipient payments, the Department is now interfacing the CFDA number from the grants management system, reducing the risk of manual data entry errors.

Implementation Date: June 30, 2018

Responsible Persons: Sandra Fulenwider and Maureen Coulehan

Reference No. 2017-028

Subrecipient Monitoring

CFDA 97.039 – Hazard Mitigation Grant (HMGP)

Award years – See below

Award numbers – See below

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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 as well as other required information such as CFDA number at the time of each disbursement and indirect cost rate for the Federal award (including if the de minimis rate is charged). Per 2 CFR 200.303, DPS must also 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	

The procedures performed over subrecipient monitoring noted the following:

- For fiscal year 2017, notification of the 10% de minimis indirect cost rate was not offered to subrecipients as required. However, it was noted that DPS did include the notification as part of the Grant Terms and Conditions for fiscal year 2018 subawards.
- CFDA notification in the payment description for subrecipient payments was added to accounts payable procedures effective November 1, 2016, with no exceptions noted in our sample selections after this date. However, no control was in place to ensure the completeness and accuracy of this process as it is done manually by one individual at the time the payment is entered.
- DPS prepares a risk assessment as a formality; however, there is no review process by DPS’ Department of Emergency Management (TDEM) to ensure the risk assessment was appropriately completed and the subrecipient was monitored accordingly. Out of 14 subrecipient files reviewed:
 - Five did not have a risk assessment on file.
 - Two subrecipient files did not have a contract eligibility checklist on file, although no eligibility exceptions were noted.
 - No process was in place by DPS’ TDEM for fiscal year 2017 to monitor the receipt and review of quarterly reports from subrecipients required by Federal Emergency Management Agency (FEMA). Of the 14 project samples selected for testing, four were missing one or more required FEMA quarterly reports.
 - Lastly, for one out of 14 project payments a Quality Assurance Testing Worksheet (QATW) was not on file, which is evidence of review by DPS to ensure payment was properly reviewed.

Open disasters during fiscal year 2017 were:

Disaster Number	Award Number	Disaster Declaration Date
1606	1606DRTXP00000001	September 24, 2005
1709	1709DRTXP00000001	June 29, 2007

PUBLIC SAFETY, DEPARTMENT OF

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
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
4245	4245DRTXP00000001	November 25, 2015
4255	4255DRTXP00000001	February 9, 2016
4266	4266DRTXP00000001	March 19, 2016
4269	4269DRTXP00000001	April 25, 2016
4272	4272DRTXP00000001	June 11, 2016
4332	4332DRTXP00000001	August 25, 2017

Recommendation:

DPS should establish monitoring controls over the risk assessment process to ensure the risk assessments are being completed and the subrecipient is receiving the appropriate monitoring according to their risk assessment score. For subrecipient payments DPS needs to establish a review control to ensure that notification of CFDA is being completely and accurately entered. Finally, DPS needs to implement monitoring controls over the quarterly reports submitted as required by FEMA, and ensure that other required documents such as contract eligibility checklists and Quality Assurance Testing Worksheets are completed and included in the subrecipient files.

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 risk assessments are being completed and subrecipients are receiving the appropriate monitoring according to the risk assessment. To ensure the accuracy of CFDA notifications on subrecipient payments, the Department is now interfacing the CFDA number from the grants management system, reducing the risk of manual data entry errors. DPS will also establish controls to ensure quarterly reports are submitted as required and other required documentation are completed and included in the subrecipient's files.

Implementation Date: June 30, 2018

Responsible Persons: Sandra Fulenwider and Maureen Coulehan

Department of State Health Services

Reference No. 2017-029

Eligibility

(Prior Audit Issues – 2016-030 and 2015-036)

CFDA 93.917 – HIV Care Formula Grants

Award years – April 1, 2017 to March 31, 2018 and April 1, 2016 to March 31, 2017

Award numbers – X07HA00054-27 and X07HA00054-26

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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) Prevention and Care Branch Texas HIV Medication Program (THMP) has a 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 an eligibility worker review each incoming application and determine eligibility.

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 2017.

As of June 1, 2017, DSHS implemented a formal recertification process whereby at the beginning of each month, a recertification mailing is compiled based on the recipients' birthdate to be sent out in the middle of that month for all those individuals due to recertify by the end of that next month. If a recertification application is not received after 45 days or the information provided is incomplete, the recipient is dropped from THMP through an automated process. If a recertification application is received, it is processed and an eligibility worker will determine whether to continue or terminate eligibility based on the information in the application. Those who do not submit complete information to the program are administratively dropped by the THMP data manager. This prevents ineligible persons from continuing to be served through THMP.

Out of a sample of 40 active client files reviewed that had been certified or recertified in fiscal year 2017, 12 were not recertified within 12 months of the prior certification date.

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 continue to enforce its' newly implemented recertification process to identify those applicants coming up on the 12 month recertification date to start the recertification process.

Views of Responsible Officials

Accepted. DSHS THMP will continue with the quarterly assurance process and the monthly check against HMS. DSHS THMP will continue to enforce the implemented recertification process to identify those applicants coming up on the 12-month recertification date in order to begin the recertification process.

Corrective Action Plan:

N/A. The corrective action was successfully implemented on June 1, 2017.

Implementation Date: June 2017

Responsible Person: Shelley Lucas

Reference No. 2017-030

Allowable Costs/Cost Principles

(Prior Audit Issues – 2016-031, 2015-035, 2014-017 and 2013-027)

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

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

Award numbers – 6TX700506 and 6TX700526

CFDA 93.268 – Immunization Cooperative Agreements

Award years – April 1, 2017 to June 30, 2018 and January 1, 2016 to December 31, 2016

Award numbers – 5NH23IP000773-05 and 5H23IP000773-04

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2016 to September 30, 2018 and October 1, 2015 to September 30, 2017

Award numbers – G1701TXSOSR and G1601TXSOSR

CFDA 93.917 – HIV Care Formula Grants

Award years – April 1, 2017 to March 31, 2018 and April 1, 2016 to March 31, 2017

Award numbers – X07HA00054-27 and X07HA00054-26

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

Award years – October 1, 2016 to September 30, 2018, October 1, 2015 to September 30, 2017, and October 1, 2014 to September 30, 2016

Award numbers – 2B08TI010051-17, 2B08TI010051-16, and 2B08TI010051-15

Medicaid Cluster

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

Award numbers – 1705TXINCT, 1705TXIMPL, 1705TX5MAP, 1705TX5ADM, 1605TXINCT, 1605TXIMPL, 1605TX5MAP, and 1605TX5ADM

Non-Major Programs:

10.475 – Cooperative Agreements with State for Intrastate Meat and Poultry Inspection

14.241 – Housing Opportunities for Persons with AIDS

20.600 – State and Community Highway Safety

20.616 – National Priority Safety Program

66.001 – Air Pollution Control Program Support

66.605 – Performance Partnership Grants

66.707 – TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals

81.106 – Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions

81.214 – Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis

93.018 – Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission

- 93.069 – Public Health Emergency Preparedness
 - 93.073 – 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
 - 93.110 – 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
 - 93.305 – National State Based Tobacco Control Programs
 - 93.314 – Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program
 - 93.323 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
 - 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
 - 93.539 – PPHF Capacity Building Assistance to Strengthen Public Health Immunization and Infrastructure and Performance financed in part by Prevention and Public Health Funds
 - 93.566 – Refugee and Entrant Assistance_State Administered Programs
 - 93.576 – Refugee and Entrant Assistance_Discretionary Grants
 - 93.733 – Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)
 - 93.735 – State Public Health Approaches for Ensuring Quitline Capacity – Funded in Part by Prevention and Public Health Funds (PPHF)
 - 93.752 – Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds
 - 93.757 – State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)
 - 93.758 – Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)
 - 93.791 – Money Follows the Person Rebalancing Demonstration
 - 93.815 – Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
 - 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
 - 93.946 – Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs
 - 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
- Statistically valid sample – No and Not Intended to be a Statistically Valid Sample
 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:

- (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 and
 - (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.

Questioned Cost:	\$0
U.S. Department of Agriculture	
U.S. Department of Housing and Urban Development	
U.S. Department of Transportation	
U.S. Environmental Protection Agency	
U.S. Department of Energy	
U.S. Department of Health and Human Services	
U.S. Department of Homeland Security	

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 and payroll related dollars are allocated. 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 10th of the month for the previous months' time. An employee can adjust their time worked and/or deviations from their default task profile. In fiscal year 2017, DSHS has added a view option on the navigation window to the left of the timesheet that allows employees to select and view their default task profile. Supervisors are required to approve the monthly time reported for their employees only if there are adjustments to time worked and deviations from the employee's default task profile. 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 and payroll related 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 default 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. DSHS requires all employees to repeat the training every two years and new employees are required to complete the training within thirty days of hire.

The DSHS Budget Office provides an annual (June-August) and mid-year (February) profile sheet to department managers for review which contains all the employees assigned to them by name, position number, and their respective task 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. Additionally, managers have the opportunity to use the Task Profile Change Request process throughout the year when changes to the default task profile are needed. However, a response from the managers confirming the accuracy of the task profiles is currently not required as there is no positive assurance reporting required and the process does not capture that each manager has completed the task. The current DSHS process does not provide a documented trail that the department managers have reviewed all direct report employees (those with deviations and with no deviations) for accuracy of their time as compared to their respective task profile. Without a documented positive periodic manager review of the task profiles DSHS is lacking sufficient documentation to indicate that they have reviewed after-the-fact interim payroll and payroll related charges made to Federal awards based on budget estimates. However, the DSHS Budget Office does perform quarterly budget to actual reviews which includes payroll and payroll related charges.

Total payroll expenditures for the DSHS programs noted above and included in the Schedule of Expenditures of Federal Awards for fiscal year 2017 is approximately \$43.33 million. Labor account code changes within employee task profiles for DSHS for fiscal year 2017 was approximately 2.5% of all labor account codes within employee task profiles.

Recommendation:

DSHS should enhance their time and leave reporting process to include a documented review and certification by the department managers evidencing they have reviewed of all of their direct report employees (those with deviations and with no deviations) time reported for accuracy as compared to their respective task profile.

Views of Responsible Officials:

Accepted. The Department has already begun working toward addressing this recommendation. See the corrective action plan for further details.

Corrective Action Plan:

The Department has submitted a request to revise the certification language in the CAPPS system; to include language by which the manager will acknowledge a review and certification of all of their direct report employees' time reported, as compared to their respective task profile. The Department will implement a process to monitor and follow-up on timesheets that have not been certified and/or approved by the 10th calendar day of each month.

The Department will revise the DSHS Labor Account Code (LAC) Training module to include the certification responsibilities for both employees and managers/supervisors. Updates will be made to DSHS Policy FS-1110, Time and Labor Accounting to more clearly address the new certification requirements.

Implementation Date: February 2018

Responsible Person: Donna Sheppard

Reference No. 2017-031

Matching, Level of Effort, Earmarking

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

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

Award number – 2B08TI010051-15

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency and Non-Compliance

Designated States, i.e., any State whose cases of Acquired Immunodeficiency Syndrome (AIDS) is 10 or more per 100,000 individuals (as indicated by the number of such cases reported to and confirmed by the Centers for Disease Control and Prevention for the most recent calendar year for which data are available), shall expend not less than 2 percent and not more than 5 percent of the award amount to carry out one or more projects to make available to individuals early intervention services for HIV disease at the sites where the individuals are undergoing SA treatment. If the State carries out two or more projects, the State will carry out one such project in a rural area of the State unless the Secretary waives the requirement (42 USC 300x-24; 45 CFR section 96.128(a)(1), (b), and (d)).

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

Per 2 CFR 200.303, the 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.

For the fiscal year 2015 grant, DSHS expended more than 5% of the award amount to carry out one or more projects to make available to individuals early intervention services for HIV disease at the sites where the individuals are undergoing substance abuse treatment. DSHS expended 5.01% on early intervention services for HIV disease, approximately \$20,000 over the required ceiling. DSHS utilizes a set-aside analysis to track compliance with earmarking requirements. Supporting documentation for the set-aside analysis regarding the amount passed through to the Texas Department of Health and Human Services (HHSC) did not agree to the Federal Financial Report amount by approximately \$107,000. The omission of the expenditure had no impact on the maintenance of effort or earmarking requirements.

Recommendation:

DSHS should monitor the set-aside analysis more frequently and precisely such that earmarking and maintenance of effort requirements are met.

Views of Responsible Officials:

- A. *The SAPT fund (HHSC) (a.k.a. 203 (DSHS)) was transferred to HHSC from DSHS over a two-year period (FY15 & FY16). During the transition both agencies incurred expenditures through program operations that were paid for by the award. Since only one agency is allowed to draw funds from the Payment Management System (PMS), HHSC submitted draw requests to DSHS which in turn drew the funds from PMS and passed them through.*

It was agreed prior to the transition that DSHS would continue to generate the Federal Financial Reports (FFR's) for the SAPT fund through FY15 and FY16 since the fund would not completely transfer to HHSC until FY17. According to the established policy and procedures at DSHS, the Accounting Detail from HHSC was to be combined with the Accounting Detail from DSHS for the period being reported in order to determine the total amount of expenditures. The SAPT grant was one of the first grants to be transferred between agencies and reconciliations were to be expected. At the time the Federal Financial Report was prepared by DSHS the expenditure queries provided by HHSC (2015 and 2016) exceeded the draw requests indicating that ETVs for \$107,400.00 would be necessary. DSHS made multiple requests for the reconciliation prior to the due date of the FFR, but it was never received. In order to meet the deadline, DSHS decided to use the draws requested by HHSC instead of the Accounting Detail since HHSC expenditures exceeded their draws.

- B. *Similar complications as those stated above arose when correcting the initial \$5,160.00 overspent for HIV Early Intervention at DSHS. While the program codes were being corrected at DSHS, additional expenditures totaling \$21,124.01 were hitting at HHSC. Again, these complications can be rectified by putting procedures in place that will allow a cross-check between agencies. However, the transferring of awards between agencies is not a normal practice.*

Corrective Action Plan:

- A. *Once the reconciliation was received an ETV for \$107,400.00 at HHSC moving expenditures from SAPT16 to SAPT15. This corrected the correlation between the expenses incurred and the award from which they were drawn. When DSHS revises the Set Aside Analysis, the amount of expenditures will match the Federal Financial Report.*
- B. *HHSC is in the process of transferring the \$21,124.01 (charges in question) from 15SAPT to 16SAPT reducing the total amount of expenditures between agencies to the 5% cap allowed for HIV Early Intervention. Once this is complete HHSC will submit new queries and DSHS will generate a revised Set Aside Analysis Report and ensure it reconciles appropriately.*

These vouchers will be replaced so that total expenditures for 15SAPT do not change and a revised FFR will not be necessary.

Implementation Dates: A: October 2017 and B: Ongoing

Responsible Persons: Rebecca Salisbury and Karen Harmon

Texas Education Agency

Reference No. 2017-032

Cash Management

Matching, Level of Effort, Earmarking

Period of Performance

Reporting

Subrecipient Monitoring

(Prior Audit Issues – 2016-035, 2015-041, 2014-021 and 2013-031)

CFDA 84.365 – English Language Acquisition State Grants

Award years – July 1, 2016 to September 30, 2018, July 1, 2015 to September 30, 2017, December 16, 2014 to September 30, 2017, and July 1, 2014 to September 30, 2016

Award numbers – S365A160043, S365A150043, S365B150043, and S365A140043

CFDA 84.367 – Supporting Effective Instruction State Grant

Award years – July 1, 2016 to September 30, 2018, July 1, 2015 to September 30, 2017, and July 1, 2014 to September 30, 2016

Award numbers – S367A160041-16A, S367A150041, S367A150041-15B, and S367A140041

Special Education Cluster (IDEA)

Award years – July 1, 2016 to September 30, 2018, July 1, 2015 to September 30, 2017, and July 1, 2014 to September 30, 2016

Award numbers – H027A160008, H027A150008-15B, H027A140008-14B, H173A160004, H027A150008, and H173A140004

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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. TEA utilizes the STAT tool to perform program changes for TCAPPS which follows a workflow. This workflow requires testing and approval for each change. However, four developers also had access to Application Designer, a PeopleSoft development tool which can also be utilized to make program changes to TCAPPS, bypassing the workflow in STAT. 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 introduces the risk of unauthorized changes to applications and data. Developers should not have access to migrate changes to the production environment. Audit procedures performed noted that the program changes implemented during the fiscal period followed the workflow in STAT.

The four developers also had access to Data Mover, a PeopleSoft tool with the ability to modify application data and run SQL statements in the production database. Developers with access to Data Mover introduces the risk of unauthorized changes to production data. In addition, the four developers had access to security administrator functions within the application that allow the ability to grant themselves system privileges, including access to Application Designer and Data Mover. Developers should not have access privileges above read-only in the production database or application.

The access rights to Application Designer, Data Mover, and security administration for the four developers were corrected on November 21, 2017.

TEA uses information produced from TCAPPS for compliance with applicable compliance requirements under various components of Cash Management, Matching, Level of Effort, Earmarking, Period of Performance, Reporting, Subrecipient Monitoring, and Special Tests and Provisions – Access to Federal Funds for New or Significantly

Expanded Charter Schools. 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 continue to properly segregate duties so that developers do not have Application Designer access, Data Mover access, or access privileges above read-only in the production environment, or if developers are determined to need access to production, adequate approval for temporary access and monitoring controls should be in place.

Views of Responsible Officials:

TEA agrees with this recommendation and will continue to properly segregate duties/ensure adequate monitoring controls are in place to restrict developer access in the production environment.

Corrective Action Plan:

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

Implementation Date: Corrected on November 21, 2017

Responsible Person: Melody Parrish

Texas Higher Education Coordinating Board

Reference No. 2017-033

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

(Prior Audit Issue – 2016-038)

CFDA 84.032L – Federal Family Education Loans - Lenders

Award year – July 1, 2016 to June 30, 2017

Award number – N/A

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Non-Compliance

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).

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

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).

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).

Audit procedures involved a review of 40 delinquent borrower accounts. One out of 40 borrowers selected did not have the required due diligence telephone contact efforts completed. The borrower selected was 274 days delinquent as of December 31, 2016. The borrower payment due date was April 1, 2016, and no telephone contact efforts were made until July 22, 2016, putting the borrower over 90 days delinquent prior to a diligent telephone contact. There were no questioned costs as the borrower paid the loan in full prior to a claim being filed.

THECB had increased controls over due diligence and skip tracing activities during 2016 as a result of a prior audit year audit finding. Control testing performed for the fiscal year 2017 noted the controls were appropriately designed and operating effectively. Due to the age of the delinquency of the selected loan from the current period audit, the required due diligence telephone call should have occurred prior to THECB's implementation of increased control activities. All required due diligence efforts were made for the remainder of the loan's delinquency prior to the full payment of the loan.

Recommendation:

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

Views of Responsible Officials:

Management agrees with the recommendation. In August 2016, the Agency modified its telephone due diligence process for its FFEL portfolio. Collection calls for all FFEL accounts are attempted every other week, rotating between AM and PM and on varying days of the week. A dedicated resource has been assigned to this task to ensure that collection calls are made every two weeks, which exceeds due diligence efforts for telephone contacts as required in federal regulation. The required due diligence calls that should have been made were from the time period prior to the changes made as noted above. No additional findings were noted by the auditor on the remainder of the sample reviewed after August 2016.

Corrective Action Plan:

On a monthly basis, the Manager of Due Diligence pulls a random sample of FFEL accounts to verify that required collection calls have been appropriately made for the prior month. Also, on a quarterly basis and part of our Key Controls review, the Assistant Director – Operations Center reviews a sample of FFEL accounts to confirm the timeliness of due diligence letters and collection calls.

Implementation Date: August 2016

Responsible Person: Stephen Wessels

Texas Workforce Commission

Reference No. 2017-034

Allowable Costs/Cost Principles

Cash Management

Matching, Level of Effort, and Earmarking

Period of Performance

Reporting

CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States

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

Award numbers – H126A170092, H126A170093, H126A160092, and H126A160093

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency

Per 2 CFR 200.303, Texas Workforce Commission (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. TWC utilizes Peoplesoft’s General Ledger and HRMS as financial management and human resource applications. TWC’s implementation of the financial and human resource applications are known as WRAPS and CHAPS, respectively. TWC 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.

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

TWC has a formal policy to develop, test, and approve program changes for WRAPS and CHAPS. TWC utilizes the PSBATCH account to perform program changes, with account access granted to limited individuals based on job responsibilities. However, two developers had access to Application Designer in WRAPS and another two developers had access to Application Designer in CHAPS. Application Designer is a PeopleSoft development tool which can also be utilized to make program changes to WRAPS and CHAPS, bypassing the formal change management process. 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 exists. Inappropriate access to migrate changes to production systems introduces the risk of unauthorized changes to applications and data. Audit procedures performed for WRAPS and CHAPS noted that the program changes implemented during the fiscal period followed the established change management process. Access was removed for the four developers for both PeopleSoft environments as of August 31, 2017.

Six accounts on WRAPS application had inappropriate access to Data Mover, a PeopleSoft tool granting the ability to modify application data and run SQL statements in the production database. Also, twelve accounts on CHAPS had inappropriate access to Data Mover. Four of the six CHAPS accounts belong to developers. Inappropriate access to Data Mover introduces the risk of unauthorized changes to production data. Data Mover access was removed for both PeopleSoft environments as of July 19, 2017.

No compliance exceptions were noted during 2017 with regard to the use of WRAPS or CHAPS data in the analysis related to the applicable compliance requirements.

Recommendation:

TWC should continue to restrict access to Data Mover as corrected on July 19, 2017. In addition, TWC should continue to properly segregate duties in Application Designer as corrected on August 31, 2017, so that developers do not have access above read-only in the production environment, or if developers are determined to need access to production, adequate approval for temporary access and monitoring controls should be in place.

Views of Responsible Officials:

Texas Workforce Commission (TWC) agrees with the finding and will strengthen procedures to restrict access to Data Mover and to ensure properly segregated duties in Application Designer.

Corrective Action Plan:

All default accounts will be reviewed by the data owner to ensure that they are appropriate and necessary, with those not needed will be disabled/deleted/modified/disposed of (as appropriate). Permission based roles are being developed based on user’s current position and systems needs of that system. Semiannually TWC will review user security roles along with its internal control procedures to prevent fraud.

Implementation Date: March 31, 2018

Responsible Persons: Daniel Fierro and Christina Knapp

Reference No. 2017-035

Eligibility

Special Tests and Provisions – Completion of IPEs

(Prior Audit Issues – 2016-005, 2015-006 and 2014-003)

**CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States
Award years – October 1, 2016 to September 30, 2017 and October 1, 2015 to September 30, 2016
Award numbers – H126A170092, H126A170093, H126A160092, and H126A160093
Statistically valid sample – No and Not Intended to be a Statistically Valid Sample
Type of finding – Significant Deficiency and Non-Compliance**

Eligibility

Per 2 CFR 200.303, Texas Workforce Commission (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 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.

The prior year audit findings 2016, 2015, and 2014 were the responsibility of the Department of Assistive and Rehabilitative Services. Effective September 1, 2016, the program was transitioned to TWC.

At TWC, 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 2017, TWC had a quality assurance validation process in place whereby the Rehabilitation Services Division (RSD) and Blind Services Division (BSD) 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, TWC had “trigger reports” run weekly to monitor the 60 and 90 day provisions during fiscal year 2017. However, the reports do not appear to be effectively monitored throughout the entire year based on the existence of compliance exceptions noted below.

There are two divisions that receive federal awards for VR services: (1) RSD and (2) BSD. 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.

BSD:

- For two 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.

RSD:

- For two 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.

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.

RSD:

- 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.
- For one of 40 files sampled, IPE’s were not filed within 90 days. Several extensions were filed. However, some were not filed timely.

Recommendation:

TWC 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.

Views of Responsible Officials:

Recommendation accepted. As noted above, Texas Workforce Commission’s (TWC) Vocational Rehabilitation Division staff 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 internal controls for the monitoring of Individualized Plan for Employment (IPE) and Eligibility due dates have been implemented in the form of combined standardized policy, approval and review criteria, system enhancements, quality assurance, and risk assessment processes. In addition, regional and unit management are now required to conduct case reviews on 100% of cases in the IPE and Eligibility focus areas that exceeded compliance parameters to ensure thorough and appropriate documentation of the customer agreement and the reason for the extension exists in the case notes. Regional and unit management are also required to follow-up on corrective actions documented during reviews. The State office staff will continue to routinely communicate compliance status and make recommendations for improvement to managers at all levels in a proactive manner to mitigate the risk of potential compliance exceptions.

Implementation Date: March 1, 2018

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

Reference No. 2017-036

Subrecipient Monitoring

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR Section 200.331, Texas Workforce Commission (TWC) must 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 which may include consideration of such factors as: (1) the subrecipient’s prior experience with the same or similar subawards; (2) the results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F – Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;

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

(3) whether the subrecipient has new personnel or new or substantially changed systems; and (4) the extent and results of Federal Awarding Agency monitoring. TWC must also 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 of the subrecipient must include: (1) reviewing the financial and performance reports required by the pass-through entity; (2) following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means; (3) issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the pass-through entity as required by 2 CFR Section 200.521 Management Decision. 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 statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

TWC's Subrecipient Monitoring Department (SMD) has developed a policy and procedures manual to guide the monitoring process. SMD trains each monitor on the processes, monitoring programs, financial and/or program requirements, and software, in order to perform the necessary job functions.

An Annual Monitoring Plan ("the Plan") is prepared by SMD and is informally reviewed by the Commissioners. The Plan sets forth SMD's planned allocation of resources to conduct comprehensive monitoring, which is based on a risk assessment and consideration of the subrecipient's ability to achieve performance objectives. When subrecipients are identified for review, monitoring personnel conduct a meeting with TWC program management to obtain information. During the planning phase, the monitor determines which areas should be reviewed and the scope of the work. Individual risk assessments performed for each subrecipient as well as all monitoring workpapers are located in TeamMate, TWC's standardized auditing software program, to ensure accountability for work performed, full supervisory review, and completeness of the review. In addition to the Plan, SMD typically performs a mid-year risk assessment for all subrecipients. Contracts are entered into at different times throughout the year and this ensures that all contracts are subject to an on-site visit.

Audit procedures involved a review of 11 subrecipients' file for fiscal year 2017. Of those 11 files, one subrecipient with fiscal year 2017 expenditures of approximately \$305,000 was not included in the Annual Monitoring Plan. As a result, this subrecipient was not included in the risk assessment and therefore not subject to an on-site review. Due to staffing issues, the mid-year risk assessment that is routinely performed each year was not conducted. When considering the full listing of subrecipients that received payments during fiscal year 2017, 13 of 96 subrecipients were not included in the risk assessment within the Annual Monitoring Plan that should have been. Total fiscal year 2017 expenditures for these 13 subrecipients was approximately \$3,135,000. Total subrecipient expenditures for the TANF program were approximately \$79,190,000 during the fiscal year.

Recommendation:

As conducted in the past, TWC should resume its' performance of a mid-year risk assessment to ensure that all subrecipients with active contracts are subject to an on-site review.

Views of Responsible Officials:

Subrecipient Monitoring Department (SMD) concurs with the finding and will strengthen its procedures to ensure all subrecipients are included in the risk assessment process.

Corrective Action Plan:

SMD will be conducting a mid-year risk assessment in early March 2018. In addition, to ensure that all viable TWC contracts that are subject to potential monitoring are assessed for risk, SMD will include all such contracts in the Annual Monitoring Plan and score them according to risk.

Implementation Date: April 1, 2018

Responsible Person: Gloria Murillo

Reference No. 2017-037

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

TANF Cluster

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

Award numbers – 1701TXTANF, 1701TXTAN3, 1601TXTANF, and 1601TXTAN3

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency and Non-Compliance

State agencies must maintain adequate documentation, verification, and internal control procedures to ensure the accuracy of the data used in calculating work participation rates. In so doing, it must have in place procedures to (a) determine whether its work activities may count for participation rate purposes; (b) determine how to count and verify reported hours of work; (c) identify who is a work-eligible individual; and (d) control internal data transmission and accuracy. Each state agency must comply with its HHS-approved Work Verification Plan in effect for the period that is audited. HHS may penalize the State by an amount not less than one percent and not more than five percent of the SFAG for violation of this provision (42 USC 601, 602, 607, and 609); 45 CFR sections 261.60, 261.61, 261.62, 261.63, 261.64, and 261.65). Per 2 CFR 200.303, the Health and Human Services Commission (HHSC) and the Texas Workforce Commission (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.

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

HHSC determines TANF eligibility. HHSC provides TWC with information on clients who are receiving TANF and eligible for Choices (employment and training) services. TWC administers the Choices program, which is operated by 28 Local Workforce Development Boards (Boards). The Boards contract with providers (contractors) to provide Choices services through the Texas Workforce System. The contractors schedule, monitor, and verify Choices participation, and submit sanction requests for noncompliance with Choices work requirements to HHSC.

The Workforce Information System of Texas (TWIST) is TWC’s case management and reporting application. Information on families receiving TANF is transmitted from HHSC to TWIST. The interface between TWIST and the HHSC Texas Integrated Eligibility Redesign System (TIERS) links HHSC eligibility information related to TANF recipients with TWC’s corresponding work-related information for the same recipients.

TWC provides quarterly work verification dates to HHSC to include on the ACF-199 report files for TANF. Under the current process, data can be updated through the time the data files lock (20 days after the quarter ends). Of forty cases reviewed, 12 cases had differences in the calculation of average work hours reported to the federal government on the ACF-199 report. These errors were the result of revisions made by TWC after information was provided to HHSC but before the data was locked at the 20-day cutoff. The total net result of these differences is an overstatement of 58 work hours on the ACF-199 reports. There does not appear to be an adequate process in place at TWC to ensure the most complete and accurate information is submitted to HHSC.

Recommendation:

TWC should evaluate the dates of information submitted to HHSC to ensure the most complete and accurate information available is submitted.

Views of Responsible Officials:

Management agrees. Texas Workforce Commission (TWC) and Health and Human Services Commission (HHSC) have agreed to procedures that will improve the timeliness and accuracy of the ACF-199 reports.

Corrective Action Plan:

TWC and HHSC have agreed to modify the schedule for TWC submission of the Temporary Assistance for Needy Families (TANF) Quarterly sample and universe files to HHSC. Submission will be made on the last Friday of the month, following the end of the quarter. This change will ensure that HHSC has current and complete data to complete the ACF-199 report.

Implementation Date: The change in submission will be effective January 2018, for the fourth quarter of calendar year 2017.

Responsible Person: Woody Gil

Department of Transportation

Reference No. 2017-038

Allowable Costs/Cost Principles

Cash Management

Matching, Level of Effort, and Earmarking

Period of Performance

CFDA 20.223 – Transportation Infrastructure Finance and Innovation Act (TIFIA) Program

Award year – N/A

Award numbers – IH35E Project, TIFIA-20161006A and Grand Parkway Project, TIFIA-2013-1011A

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency

Per 2 CFR 200.303, 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. TxDOT utilizes Peoplesoft’s General Ledger as a financial management application. TxDOT’s implementation of the application is known as ERP. TxDOT 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.

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

Fifteen accounts had inappropriate access to Data Mover, a PeopleSoft tool granting the ability to modify application data and run SQL statements in the production database. Four of the fifteen accounts were accessible by developers. Inappropriate access to Data Mover introduces the risk of unauthorized changes to production data. Access to Data Mover was corrected on December 13, 2017. In addition, developers have administrative access to the ERP application through access to three system accounts. Administrative access includes ability to delete roles, delete users, change passwords, and approve and post vouchers. Developers with administrative access introduces risk of unauthorized changes to application, user access, and data. Developers should not have access privileges above read-only in the production application.

No compliance exceptions were noted during 2017 with regard to the use of ERP data in the analysis related to the applicable compliance requirements.

Recommendation:

TxDOT should continue to enforce the access restrictions for Data Mover implemented December 13, 2017. TxDOT should properly segregate duties so that administrative access to the ERP application is restricted based on job responsibilities. Developers should not have access above read-only to the production environment.

Views of Responsible Officials:

Accepted. The Agency has made changes to remediate inappropriate account access that would allow developers to make unauthorized changes or query the production system. Through analysis of the exceptions identified in the audit, the Agency has begun work on the corrective actions to further improve auditability of access to the ERP system.

Corrective Action Plan:

Two service tasks (SCTASK0260430 and SCTASK0260435) have been created and assigned to TxDOT’s third-party contracted support team to:

- Remediate batch access issues noted in the audit (SCTASK0260430).

Create and provide auditing reports to:

- Allow TxDOT to see account that have access to security roles.
- Allow TxDOT to see access role changes.

Implementation Date: March 15, 2018

Responsible Person: Hanh Le

Reference No. 2017-039

Special Tests and Provisions – Wage Rate Requirements

CFDA 20.223 – Transportation Infrastructure Finance and Innovation Act (TIFIA) Program

Award year – N/A

Award numbers – IH35E Project, TIFIA-20161006A and Grand Parkway Project, TIFIA-2013-1011A

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

Type of finding – Significant Deficiency

The provisions of the Wage Rate Requirements apply to projects receiving Transportation Infrastructure Finance and Innovation Act (TIFIA) assistance (49 USC 5333(a)). All laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL) (40 USC 3141-3144, 3146, 3147).

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

Non-federal entities shall include in their construction contracts subject to the Wage Rate Requirements (which still may be referenced as the Davis-Bacon Act) a provision that the contractor or subcontractor comply with those requirements and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6; and A-102 Common Rule (§ __.36(i)(5)); OMB Circular A-110 (2 CFR part 215, Appendix A, Contract Provisions); 2 CFR part 176, subpart C; and 2 CFR section 200.326). Per 2 CFR 200.303, Texas Department of Transportation (TxDOT) must also 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.

TxDOT utilizes a standard contract that contains the requirement wage rate clauses. TxDOT does not currently 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. 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. No compliance exceptions were noted.

Recommendation:

TxDOT should enhance and standardize its monitoring process to ensure that its contractors submit all required certified payrolls on a timely basis by having the same monitoring tool and/or system and policy for all the areas/districts for tracking and following up with all required certified payrolls.

Views of Responsible Officials:

Accepted. The Project Finance, Debt and Strategic Contracts Division (PFD) has already implemented system improvements in this area for current and future alternative delivery projects. Through analysis of the control deficiency identified in the audit, PFD will work to develop and implement corrective action to further improve the system and processes.

Corrective Action Plan:

A procedure will be developed to provide a standard monitoring process for wage rate requirements for all alternative delivery projects. The Design-Build Administration Manual will include additional guidance for District personnel to ensure the compliance requirements are met and that adequate monitoring is implemented.

Additionally, PFD will continue to research and coordinate with the Construction Division regarding including future alternative delivery projects in the Site Manager and LCPtracker. Through this research and coordination, enhancements will be made to the existing system in SharePoint for future alternative delivery projects, if deemed necessary.

Implementation Date: October 1, 2018

Responsible Person: Carol Luschen

University of Texas Medical Branch at Galveston

Reference No. 2017-040

Allowable Costs/Cost Principles

Cash Management

Matching, Level of Effort, and Earmarking

Period of Performance

(Prior Audit Issue – 2016-043)

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

Award year – 2008

Award number – 1791DRTX

Statistically valid sample – No and Not Intended to be a Statistically Valid Sample

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	

- Three users within the System Software Specialist 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.
- UTMB has a formal policy to develop, test, and approve program changes for PeopleSoft. UTMB utilizes the STAT tool to perform program changes for PeopleSoft which follows a workflow. This workflow requires testing and approval for each change. However, ten developers had access to Application Designer, a PeopleSoft development tool which can also be utilized to make program changes to PeopleSoft, bypassing the workflow in STAT. 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 exists. Inappropriate access to migrate changes to production system introduces the risk of unauthorized changes to application and data. Audit procedures performed noted that the program changes implemented during the fiscal period followed the workflow in STAT.
- 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. System configuration was corrected on April 3, 2017.
- Twenty users have inappropriate access to Data Mover, a PeopleSoft tool granting the ability to modify application data and run SQL statements in the production database. Inappropriate access to Data Mover introduces the risk of unauthorized changes to production data. Access was corrected on December 4, 2017.

No compliance exceptions were noted during 2017 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 and properly segregate duties so that access to Application Designer is restricted based on job responsibilities. Developers should not have access to migrate changes to production. In addition, UTMB should continue to enforce the updated configuration implemented April 3, 2017, requiring more than one person to be involved with creating and approving purchase orders. Finally, UTMB should continue to enforce the access restrictions for Data Mover implemented December 4, 2017.

Views of Responsible Officials:

Accepted. UTMB has 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 below for further details.

Corrective Action Plan:

- *UTMB will complete the transition of the roles and permissions for the three users within the System Software Specialist Team for PeopleSoft DBA function and the PeopleSoft System Administration functions to appropriately separate in the financial system.*

Implementation Date: March 31, 2018.

Responsible Person: Bill Fuqua

- *UTMB will enhance the annual special access review process by the Administrative Systems Planning Committee (ASPC) to include additional reports specific to monitoring for these access rights.*

Implementation Date: August 31, 2018.

Responsible Person: Bill Fuqua

- *UTMB will remove the access for the ten developers' access to Application Designer updates in the production environment. Access to the Application Designer updates is already limited to only a few minor object types, Queries and Trees, and already excludes access rights for the object types that can affect transactions, set up, configurations, and modifications. Additionally, UTMB will enhance the annual special access review process by the Administrative Systems Planning Committee (ASPC) to include additional reports specific to monitoring for these access rights.*

*Implementation Dates: Access removal – March 31, 2018
Monitoring process – August 31, 2018*

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.

Prairie View A&M University

Reference No. 2017-101

Cash Management Reporting

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award number – CFDA 84.268, Federal Direct Student Loans, P268K172319

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

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	

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).

Prairie View A&M University (University) did not use transaction-level documentation to support the amount of Federal Direct Student Loans it requested at the time it requested drawdowns. The University retained only summary-level documentation from the U.S. Department of Education’s Common Origination and Disbursement (COD) System, which did not include sufficient detail necessary to determine whether the University recognized the appropriate amount of expenditures prior to requesting reimbursement. In addition, the University did not perform procedures to reconcile the amount from COD with the University’s student financial assistance system, Banner. For 4 (50 percent) of 8 Federal Direct Student Loan drawdowns tested, the University requested more funds than it had in expenditures at the time of the request. For one of those drawdowns, the University requested reimbursement on the wrong award year; it corrected that error two weeks later. For the remaining three drawdowns, the University disbursed those funds within three days of the drawdown, thereby minimizing the time between the transfer of funds and disbursement of those funds. As a result, there were no questioned costs and no interest determination was necessary.

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. The University had documented procedures on how to request reimbursement from various federal agency payment systems; however, those procedures did not include steps regarding how to determine and document the amount of funds to request. In addition, the University’s review and approval process did not identify that (1) the University made one drawdown on the wrong award year and (2) the draw request amount exceeded the disbursements in Banner as of the draw date.

Not having adequate controls over cash management increases the risk that the University could draw down funds in excess of its needs.

The University uses the U.S. Department of Education’s G5 system to request reimbursement of federal funds. 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.

Recommendations:

The University should:

- Develop and implement written policies and procedures to ensure compliance with cash management requirements.
- Develop and implement a process to accurately calculate amounts for drawdown requests using its own financial records, including transaction-level documentation.

Views of Responsible Officials:

The University agrees with the findings and recommendations as they relate to cash management for direct loans. The University will develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University has developed, documented, and implemented direct loan procedures that will ensure compliance with cash management requirements. The procedures include a process to calculate amounts for direct loan drawdowns from University financial records that include transaction-level documentation.

Implementation Date: January 2018

Responsible Person: Rod Mireles

Reference No. 2017-102

Eligibility

Special Tests and Provisions – Institutional Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164098; CFDA 84.033, Federal Work-Study Program, P033A164098; CFDA 84.063, Federal Pell Grant Program, P063P162319; CFDA 84.268, Federal Direct Student Loans, P268K172319; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172319

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

Teacher Education Assistance for College and Higher Education Grants

A student who has submitted a completed application and meets the requirements of Title 34, Code of Federal Regulations (CFR), Part 668, Subpart C, is eligible to receive a Teacher 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 as necessary to begin a career in teaching or plans to complete such coursework prior to graduation. If the student is beyond the first year of a program of undergraduate education, the student must have a cumulative grade point average (GPA) of at least 3.25 on a 4.0 scale based on courses taken at the institution through the most-recently completed payment period (Title 34, CFR, Section 686.11(a)).

Questioned Cost:	\$465
U.S. Department of Education	

Based on a review of the entire population of federal student financial assistance recipients, Prairie View A&M University (University) awarded an incorrect amount of TEACH grant assistance to two students. Specifically:

- One student was a full-time graduate student and was eligible for TEACH grant assistance totaling \$3,724; however, the University awarded that student \$3,000, which was an amount equivalent to three-quarter-time enrollment. After auditors brought that error to the University's attention, it subsequently disbursed additional TEACH grant assistance to the student.
- One student had half-time enrollment in the Fall term and less-than-half-time enrollment in the Spring term; as a result, the student was eligible to receive \$1,398 in total TEACH grant assistance. However, the University awarded the student based on three-quarter-time enrollment in the Fall term, which resulted in the University's overawarding the student \$465 associated with CFDA 84.379, award number P379T172319, which was considered questioned costs.

Incarcerated Students

An educational institution does not qualify as an eligible institution if more than 25 percent of the institution's regular enrolled students are incarcerated (Title 34, CFR, Section 600.7(a)(1)(iii)) and institutions must demonstrate compliance with that requirement (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 2, chapter 1).

The University did not have procedures to identify incarcerated students, and it was unable to demonstrate that less than 25 percent of its enrolled students were incarcerated. Auditors did not note any evidence of incarceration for the 62 students tested; however, not having procedures to identify incarcerated students increases the risk that the University (1) may inappropriately award student financial assistance to ineligible students and (2) may not qualify as an eligible institution.

Recommendations:

The University should:

- Accurately award and disburse TEACH grant assistance to students.
- Develop and implement procedures to identify incarcerated students.

Views of Responsible Officials:

The University agrees with the findings and recommendations as it pertains to TEACH grant assistance and incarcerated students. The University will develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University has made significant changes as listed below:

- *Financial Aid management has corrected error(s) that were indicated in the audit finding. The cases in which students were awarded incorrectly due to enrollment changes have been updated to reflect the accurate disbursement amounts.*
- *The population of TEACH grant recipients is relatively low, therefore, Financial Aid management has implemented a manual internal quality control check of TEACH grants that will review enrollment, award amounts, and disbursements. Each student awarded the TEACH grant will be evaluated after every term to ensure accuracy of awards.*
- *Financial Aid management has set the appropriate Banner controls to ensure that disbursement amounts coincide with the changes as reflected in the reduction fees as it relates to pre and post October 1 disbursements established by the Department of Education.*
- *Financial Aid management has reviewed the regulations regarding the acceptable methods of identifying incarcerated students and will work with University administration to develop and implement a process to document compliance with the less than 25 percent incarcerated student requirement.*

Implementation Date: July 2018

Responsible Person: Ralph Perri

Reference No. 2017-103

Special Tests and Provisions - Verification

(Prior Audit Issue 2014-102)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164098; CFDA 84.033, Federal Work-Study Program, P033A164098; CFDA 84.063, Federal Pell Grant Program, P063P162319; CFDA 84.268, Federal Direct Student Loans, P268K172319; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172319

Statistically valid sample – No and not intended to be a statistically valid sample

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 benefits, 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 80, number 123).

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 subsidized student financial assistance awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

For 7 (11 percent) of 61 students tested, Prairie View A&M 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 seven students, the University did not accurately verify one or more of the following items: (1) income information for tax filers, including adjusted gross income, U.S. income taxes paid, and education credits; (2) number of household members; (3) Supplemental Nutrition Assistance Program (SNAP) benefits reported; and (4) other untaxed income. Those errors occurred because of manual errors the University made in the verification process. The University also did not have an adequate monitoring process during the award year to ensure that it performed verifications accurately. The University did not make corrections to those students’ ISIRs; as a result, auditors could not determine whether there was an effect on the students’ EFCs or financial assistance awards.

In addition, for 2 (3 percent) of 61 students tested, the University could not provide evidence that it had accurately verified all required items on the FAFSA. The University’s process was to scan all verification documents that students submitted into its imaging system and then shred the original documents. For those two students, the University had not scanned all pages of the supporting documentation into its imaging system and did not retain the original documents; therefore, auditors were unable to confirm whether the University accurately verified all required items. As a result, auditors could not determine whether there was an effect on the students’ EFCs or financial assistance awards.

Not verifying FAFSA information appropriately and accurately could result in the University overawarding or underawarding student financial assistance.

Recommendations:

The University should:

- Accurately verify all required FAFSA information for students selected for verification and request updated ISIRs when required.
- Retain supporting documentation for the verifications it performs.
- Establish and implement an effective monitoring process for verification.

Views of Responsible Officials:

The University agrees with the findings and recommendations as it pertains to verification. The University will develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University has developed the following actions:

- *Financial Aid management has made the necessary corrections and returned funds that were a result of discrepancies found during the auditor's tests of verification for the 2016 -2017 aid year.*
- *For the 2017 -2018 aid year, Financial Aid management will conduct a complete desk audit for all students selected for verification. The Associate Director(s) and designated staff will be assigned to validate the accuracy of the verification process as per federal regulations. The desk audits for the 2017-2018 aid year will be completed by May 2018.*
- *Financial Aid management has hired designated staff whose primary duties will be processing verification.*
- *As a part of the verification monitoring process, Financial Aid management will complete verification checks and make the necessary corrections if needed to ensure the accuracy of verification of items before packaging/awarding a student.*
- *Verification checks will be documented and signed off on by the reviewer(s). This documentation will be retained with the students' verification packet.*

Implementation Date: August 2018

Responsible Person: Ralph Perri

Reference No. 2017-104

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164098; CFDA 84.063, Federal Pell Grant Program, P063P162319; CFDA 84.268 Federal Direct Student Loans, P268K172319; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172319

Statistically valid sample – No and not intended to be a statistically valid sample

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)). A student is considered to have withdrawn from a payment period or period of enrollment if the student does not complete all the days in the payment period or period of enrollment that the student was scheduled to complete (Title 34, CFR, Section 668.22(a)(2)). 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:	\$3,303
U.S. Department of Education	

An otherwise eligible student becomes ineligible to receive Title IV program funds on the date that the student is no longer enrolled at the institution as at least a half-time student for the period of enrollment for which the loan was intended. A student who becomes ineligible qualifies for a late disbursement (and the parent qualifies for a parent Direct PLUS Loan disbursement) if, before the date the student became ineligible, (1) the Secretary of the U.S. Department of Education processed a Student Aid Report (SAR) or Institutional Student Information Record (ISIR) with an official expected family contribution for the student for the relevant award year and (2) for a loan made under the Direct Loan program, the institution originated the loan (Title 34, CFR, Section 668.164(j)).

Identifying Withdrawn Students

Prairie View A&M University (University) did not have a process to identify students who withdrew without providing official notification to the University for the purpose of determining when a return of Title IV funds must be paid. As a result, auditors were unable to determine how many students may have unofficially withdrawn from a term in the 2016-2017 federal award year and whether the University would have been required to return Title IV funds for any of those students.

In addition, the University did not always identify students who officially withdrew. As a result, for 2 (5 percent) of 43 students tested, the University did not perform return of Title IV funds calculations as required. Those two students provided official withdrawal information to the University; however, that information was not fully documented in the University’s student financial assistance system. As a result, the University did not perform return calculations for those students. After auditors brought those errors to the University’s attention, it performed the calculations and returned funds as required; therefore, there were no questioned costs.

Auditors also identified one student to whom the University disbursed Title IV funds after that student had withdrawn from the term and was no longer eligible to receive those funds. That error occurred because the University did not document the student’s withdrawal in its student financial assistance system, as described above, which resulted in \$1,436 in questioned costs associated with CFDA 84.268, Federal Direct Student Loans, award number P268K172319.

Determining the Payment Period

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 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 University incorrectly determined the total number of days in the payment period for the Spring 2017 term. Specifically, the University incorrectly used 6 days (instead of 8 days) for its Spring break period when it determined the total number of calendar days in the payment period. As a result, for 4 (21 percent) of 19 students tested for whom the University 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. Specifically:

- For one student, the University returned \$68 less to the U.S. Department of Education than it was required to return. That resulted in a questioned cost of \$68 for CFDA 84.268, Federal Direct Student Loans, award number P268K172319.
- For three 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 associated with those three students.

Auditors identified one additional student who should have had a return of Title IV funds based on the student's withdrawal date. However, because the University used the incorrect number of days in the payment period in its return calculation, it incorrectly determined that the student completed 60 percent of the payment period; therefore, the University did not return Title IV funds as required. Auditors determined that the University was required to return \$1,799 associated with CFDA 84.268, Federal Direct Student Loans, award number P268K172319, which is considered questioned costs.

The University's use of an incorrect number of total days in the payment period affected all students who withdrew from the Spring 2017 term; as a result, the University performed all return calculations for that term incorrectly. Auditors were unable to determine the total amount of questioned costs associated with that error.

Returning Funds in the Required Order

Unearned funds returned by the institution or the student must be credited to outstanding balances on Title IV loans made to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required. Those funds must be credited to outstanding balances for the payment period or period of enrollment for which a return of funds is required in the following order: (1) Unsubsidized Federal Stafford loans; (2) Subsidized Federal Stafford loans; (3) Unsubsidized Federal Direct Stafford loans; (4) Subsidized Federal Direct Stafford loans; (5) Federal Perkins loans; (6) Federal PLUS loans received on behalf of the student; and (7) Federal Direct PLUS received on behalf of the student. If unearned funds remain to be returned after repayment of all outstanding loan amounts, the remaining excess must be credited to any amount awarded for the payment period or period of enrollment for which a return of funds is required in the following order: (1) Federal Pell Grants; (2) Academic Competitiveness Grants; (3) National SMART Grants; (4) FSEOG Program aid; and (5) TEACH Grants (Title 34, CFR, Section 668.22(i)).

For 1 (5 percent) of 19 students tested for whom the University performed a return calculation, the University did not return the Title IV funds in the required order. Specifically, the University returned the student's entire subsidized loan amount first, then it returned the remaining funds from the unsubsidized loan amount. The University made a manual error when returning the funds, and it should have returned the student's unsubsidized loan amounts prior to returning subsidized loan funds.

Recommendations:

The University should:

- Develop, document, and implement a process to identify students who unofficially withdraw from the University and determine whether a return of Title IV funds calculation is required.

- Consistently determine and document the date a student withdraws from the University to ensure that it performs a return of Title IV funds calculation.
- Disburse Title IV aid only to students who are eligible to receive the aid.
- Accurately determine the number of days in scheduled breaks and calculate returns of Title IV funds correctly based on the payment period or period of enrollment.
- Return Title IV funds in the order required by the U.S. Department of Education.

Views of Responsible Officials:

The University agrees with the findings and recommendations as it pertains to the return of Title IV funds. The University will develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University has developed the following actions:

- *Financial Aid management has implemented and documented a process to identify unofficial withdrawals (those that have exited the University without official notification). An “All F” report will be ran utilizing the Student Information System (Banner) job that will identify all federal and non-federal aid recipients that have received end of term grades of “F” for all classes. The “All F” report will be reviewed and eligibility will be determined based on the prescribed process. The Banner unofficial withdrawal process will be conducted at the end of every term to identify students who have received “All F’s” with a “last date of attendance” that has occurred before the semester has ended. Based on the timely response of the students, the Office of Financial Aid will calculate and process the appropriate amounts of the return of Title IV funds.*
- *The Financial Aid Quality Control and Compliance Officer will work with the Registrar’s Office to ensure that all withdrawals are properly documented in the Banner system (SFAWDRL) to ensure that federal aid for a student who has withdrawn is accurately calculated, adjusted, and returned to the Title IV programs appropriately.*
- *The Financial Aid Quality Control and Compliance Officer will complete the return of Title IV funds calculations and adjustments once a week to capture withdrawals that have occurred for the week.*
- *The Financial Aid Associate Director will complete a full check of all return of Title IV funds calculations and adjustments for accuracy.*
- *Financial Aid management has corrected the payment period days that are reflected in the return of Title IV funds calculations for all terms. The Banner student system has been updated to reflect the number of spring break days to 8 days to accurately calculate the number of days of enrollment for the spring term.*
- *Financial Aid management will continue to train designated staff that complete return of Title IV funds procedures to ensure that there is continuous knowledge of the procedures, including the correct order of returning funds as required by the U.S. Department of Education.*

Implementation Date: August 2018

Responsible Person: Ralph Perri

Reference No. 2017-105

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P162319, and CFDA 84.268, Federal Direct Student Loans, P268K172319

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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 *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).

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 (*NSLDS Enrollment Reporting Guide*, Appendix C).

The effective date for a completion/graduation status (“G”) is the date that the institution assigns to the completion/graduation. To protect a student’s interest subsidy, institutions may report a student as withdrawn (enrollment status of “W”) while the student’s academic record is being reviewed to determine whether all graduation requirements have been met (*NSLDS Enrollment Reporting Guide*, Appendix C and chapter 4, and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)).

Prairie View 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).

The University did not report a withdrawn status for students who unofficially withdrew from all courses for a term to NSLDS. The University did not have a process to identify students who withdrew without providing official notification. As a result, auditors were unable to determine how many students may have unofficially withdrawn from a term in the 2016-2017 federal award year.

For 19 (31 percent) of 61 students tested who had enrollment status changes, the University did not report those status changes or the effective dates of those changes to NSLDS accurately. Specifically:

- The University did not report 17 students’ enrollment level reductions to NSLDS. Those errors occurred because the University did not correctly configure its student financial assistance system, Banner, to identify when students dropped courses.

- The University did not report the correct effective date for two students' status changes when those students completed a term and did not return for the subsequent term. The University reported the first day of the term that the students did not attend as the effective date, instead of the final day of the term in which the students were last enrolled.

The University also did not always report status changes in a timely manner. The University did not submit its first-of-term transmissions to NSC until after the 20th class day. To provide reporting to NSLDS in a timely manner, NSC instructs institutions to send first-of-term transmissions immediately after the end of the registration "add" period. As a result, for 2 (3 percent) of 61 students tested, the University did not report the students' withdrawn status in a timely manner. The University also reported an incorrect effective date for those withdrawn statuses, as described above.

In addition, for 13 (21 percent) of 61 students tested, the University did not report the students' graduated status in a timely manner. The University did not report the graduated status because it asserted that it was in the process of conferring degrees, which took six to eight weeks after commencement. In addition, the University did not report those students as withdrawn while it conferred degrees due to the first-of-term transmission issue discussed above.

The errors discussed above occurred because the University did not have adequate controls or monitoring processes to ensure that it reported student status changes accurately to NSLDS in a timely manner. In addition, the University did not review and correct errors or discrepancies NSC identified unless they were considered critical and would prevent a submission.

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:

- Establish and implement a process to identify and report unofficially withdrawn students to NSLDS.
- Report accurate student status changes and effective dates to NSLDS in a timely manner.
- Establish and implement a monitoring process to ensure that it reports accurate student status changes to NSLDS in a timely manner.

Views of Responsible Officials:

The University agrees with the findings and recommendations as it pertains to enrollment reporting. The University will develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University has developed the following actions:

- *Financial Aid management has implemented and documented a process to identify unofficial withdrawals (those that have exited the University without official notification) and report them to the National Student Loan Data System (NSLDS). An "All F" report will be ran utilizing the Student Information System (Banner) job that will identify all federal and non-federal aid recipients that have received end of term grades of "F" for all classes. The "All F" report will be reviewed and eligibility will be determined based on the prescribed process. The Banner unofficial withdrawal process will be conducted at the end of every term to identify students who have received "All F's" with a "last date of attendance" that has occurred before the semester has ended.*
- *The Registrar's Office has updated the appropriate Banner validation form (STVRSTS) and has outlined procedures that will reflect the appropriate time status changes to ensure that all updated time status changes are accurately reported to the Clearinghouse and NSLDS. In addition, this process will be documented and updated when necessary.*

- *Financial Aid management and Registrar’s Office management have developed a monitoring process that includes reviewing the reject reports monthly.*

Implementation Date: March 2018

Responsible Person: Ralph Perri

Reference No. 2017-106

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

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award number – CFDA 84.268, Federal Direct Student Loans, P268K172319

Statistically valid sample – No and not intended to be a statistically valid sample

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 (*Federal Register*, volume 81, number 64). Each month, the COD System provides institutions with a School Account Statement (SAS) data file, which consists of a cash summary, cash detail, and loan detail records. The institution is required to reconcile those files to its financial records on a monthly basis (Title 34, Code of Federal Regulations, Section 685.300(b)(5), and U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 4, chapter 6).

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

Prairie View A&M University (University) did not reconcile the required information in its monthly SAS reconciliations. The University performed reconciliations of student loan detail records; however, it did not perform reconciliations of the cash summary or cash detail portions as required. The University had detailed procedures for performing SAS reconciliations; however, those procedures did not include steps for reviewing the cash summary or cash detail portions of the SAS reconciliations.

Although auditors did not identify instances of non-compliance in the reporting of student level detail to the COD System for Federal Direct Student Loans, not preparing reconciliations in accordance with federal requirements increases the risk that inaccurate or incomplete Direct Loan disbursement data could be reported to the DLSS.

Recommendation:

The University should perform required monthly reconciliations between its financial records and DLSS, including the cash summary and cash detail portions.

Views of Responsible Officials:

The University agrees with your finding and recommendation as it pertains to Borrower Data Transmission and Reconciliation (Direct Loans). The University will develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University has developed the following actions:

- *Financial Aid management and Business Office management have met and developed a communication plan that will allow both areas to address reconciliation issues in a timely manner. Working together, office representatives will determine how the monthly reconciliation responsibilities will be divided among each office. Representatives from each office will meet bi-weekly to ensure that all of the required reconciliations are being completed, documented, and reviewed and that the process is streamlined and efficient.*

- *Financial Aid management has evaluated the current student account summary (SAS) reports and reconciliation process and have identified the issues related to how Banner produces the output of the SAS reports that are utilized for the direct loan quality control process. Financial Aid management and Business Office management will review this process and make the necessary adjustments to the Banner process.*
- *Financial Aid management and Business Office management will ensure that the appropriate accesses are granted to staff so that they can accurately perform the direct loan reconciliation process (i.e. Banner, Common Originations and Disbursements, etc.).*

Implementation Date: March 2018

Responsible Persons: Ralph Perri and Rod Mireles

Sam Houston State University

Reference No. 2017-107

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162301; and CFDA 84.268, Federal Direct Student Loans, P268K172301

Statistically valid sample – No and not intended to be a statistically valid sample

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), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

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

Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1). 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 (*NSLDS Enrollment Reporting Guide*, Appendix C).

Sam Houston State 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. 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 the status change or effective date to NSLDS accurately. Specifically:

- The University did not report one student’s graduated status and the effective date of that status to NSLDS. The University asserted that it reported the graduated status to NSC; however, that status was not reported to NSLDS. The University did not detect that error because it did not have an adequate monitoring process to ensure that student status changes were accurately reported to NSLDS.
- The University incorrectly reported the effective date of one student’s withdrawn status as the first day of the Spring 2017 term; that occurred because of a coding error in the University’s student financial assistance system, Banner. That student completed the Fall 2016 term but did not return for the Spring 2017 term; therefore, the effective date of the withdrawn status should have been the last day of the Fall 2016 term.

In addition, the University did not report one student’s withdrawn status in a timely manner because of a coding error in Banner. That student’s withdrawal was reported 76 days after the University became aware of it.

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 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.

Views of Responsible Officials:

Sam Houston State acknowledges and agrees with the findings. Through thorough analysis of the audit findings Sam Houston State is developing and implementing corrective actions to ensure timely and accurate reporting through NCS to the NSLDS.

Corrective Action Plan:

The Registrar's Office will develop a policy and procedures manual for internal processes, which will include detailed steps of the student withdraw process. All necessary staff will be trained on the proper procedures (including appropriate dates to be used). In addition, an internal audit process will be developed to review data changes in an effort to ensure accuracy.

The Registrar's Office is exploring the possibilities of submitting enrollment files to the National Clearing House (NSC) every two weeks throughout the semester beginning after census date to ensure accurate and timely reporting to NSLDS. A process will be developed to ensure reporting is completed by the required dates.

Implementation Date: February 2018

Responsible Person: Teresa Ringo

Stephen F. Austin State University

Reference No. 2017-108

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164129; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162315; CFDA 84.268, Federal Direct Student Loans, P268K172315; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172315

Statistically valid sample – No and not intended to be a statistically valid sample

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)). A student is considered to have withdrawn from a payment period or period of enrollment if the student does not complete all the days in the payment period or period of enrollment that the student was scheduled to complete (Title 34, CFR, Section 668.22(a)(2)). 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)).

Stephen F. Austin State University (University) incorrectly determined the total number of days in the payment period for the Fall 2016 and Spring 2017 terms. As a result, for 12 (29 percent) of 42 students tested for whom the University 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. Specifically:

- For six students, the University incorrectly determined the number of days in the payment period for the Fall 2016 term because it used 0 days (instead of 5 days) for its Thanksgiving break. As a result, it returned more funds to the U.S. Department of Education than was required; therefore, there were no questioned costs. After auditors brought that issue to the University's attention, it re-performed the return calculations for all six students tested. The University asserted that it identified and corrected a total of 23 returns that were affected by the error in Thanksgiving break days for the Fall 2016 term.
- For six students, the University incorrectly determined the number of days in the payment period for the Spring 2017 term because it used 0 days (instead of 9 days) for Spring break. The University identified that error in April 2017 and asserted that it identified, recalculated, and corrected a total of 63 returns for Spring 2017 that were

affected by the error in Spring break days. Auditors reviewed those recalculations for the six students tested, and identified the following errors related to two of those students:

- For one student, the University incorrectly disbursed \$4 in Direct Loan funds that the student was not eligible to receive. After auditors brought that error to the University's attention, the University returned those funds to the U.S. Department of Education; therefore, there were no questioned costs.
- For one student, the University incorrectly returned \$1,706 in Pell Grant funds when it should have returned \$1,706 in Direct Loan funds. In addition, the University incorrectly returned \$139 in Pell Grant funds that would have been protected under grant protection requirements. After auditors brought those errors to its attention, the University corrected the student's financial assistance awards; therefore, there were no questioned costs.

In addition, for 3 (9 percent) of 32 students tested for whom the University did not return Title IV funds, the University should have returned Title IV funds. Specifically:

- The University correctly identified two students as withdrawn, but did not perform a return calculation or return required Title IV funds because it did not determine those students' last dates of attendance. After auditors brought those errors to the University's attention, it returned the required funds to the U.S. Department of Education; therefore, there were no questioned costs.
- For one student, the University did not perform a return calculation because it did not consider the student's enrollment in all modules within the payment period. After auditors brought that error to the University's attention, it returned the required funds to the U.S. Department of Education; therefore, there were no questioned costs.

Further, for two students tested, the University incorrectly returned all financial assistance received rather than performing a return of Title IV funds calculation. Those students began attendance, but they withdrew prior to the census date. The University cancelled all financial assistance, rather than performing a return calculation to determine the amount of financial assistance those students had earned. Because the amount the University returned was more than required, there were no questioned costs.

The University had a process to review a sample of the return calculations it performed during the award year; however, that review did not detect the errors discussed above.

Recommendations:

The University should:

- Accurately determine the number of days in scheduled breaks and calculate returns of Title IV funds correctly based on the payment period or period of enrollment.
- Accurately determine the amount of Title IV funds earned and to be returned for all students who withdraw.
- Strengthen its process to review return calculations.

Views of Responsible Officials:

Stephen F. Austin State University management acknowledges and agrees with the audit findings. The University will implement the appropriate corrective action.

Corrective Action Plan:

The University will strengthen controls for Return of Title IV Funds including:

- *Strengthen procedures to accurately determine the number of days in scheduled breaks and calculate returns accordingly.*
- *Strengthen procedures to determine the amount of Title IV funds earned and the amount of return for students who withdraw.*

- *Strengthen the review process for return calculations.*

In addition, the University has retrained staff.

Implementation Date: January 31, 2018

Responsible Person: H. Rachele' Garrett

Texas A&M University

Reference No. 2017-109

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164136; CFDA 84.033, Federal Work-Study Program, P033A164136; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P165286; CFDA 84.268, Federal Direct Student Loans, P268K175286; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T175286

Statistically valid sample – No and not intended to be a statistically valid sample

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 benefits, 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 80, number 123).

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 subsidized student financial assistance awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

Household size for a dependent student includes (1) the student; (2) the student’s parents; (3) the student’s siblings and children, if they will receive more than half their support from the student’s parent(s) for the entire award year; and (4) other persons who live with and receive more than half their support from the student’s parent(s) and will receive more than half support for the entire award year. The number in college always includes (1) the student and (2) those in the household who are or will be enrolled at least half time during the award year in a degree or certificate program at a Title IV-eligible school and who can reasonably be expected to receive aid from the family for their education (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook, Application and Verification Guide*, chapter 2). Acceptable documentation for verifying household size and the number of household members who are in college includes a statement signed by the applicant, and if the applicant is a dependent student, by one of the applicant’s parents, that lists the name and age of each household member, the relationship of that household member to the applicant, and the name of the educational institution for each household member who is or will be attending at least half-time in a program that leads to a degree or certificate (Title 34, CFR, Sections 668.57(b) and (c), and *Federal Register*, volume 80, number 123).

For 5 (8 percent) of 60 students tested, Texas A&M University (University) did not accurately verify certain required items on the FAFSA or made unsupported changes to FAFSA items. Specifically:

- For four students, the University inappropriately reduced the number of household members in college. Each of those students certified the number of household members and the number in college; however, the University removed siblings from the number in college without requesting information from the students to show that the household members it removed did not receive at least half of their support from the family. The University’s policy was to remove from the number in college siblings who were in college and age 24 and older, and their practice also included removing siblings enrolled as a graduate student. After auditors brought those errors to the University’s attention, it did not make corrections to those students’ ISIRs; therefore, auditors were unable to determine whether there were any questioned costs.
- For one student, the University did not accurately verify an education credit in the amount of \$1,472. That error occurred because of a manual error the University made during the verification process. The University corrected the student’s ISIR, which reduced the student’s EFC; however, the change in EFC did not affect that student’s financial assistance awards.

Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

Recommendation:

The University should accurately verify required FAFSA information for applicants selected for verification and make changes based only on the supporting documentation that students provide.

Views of Responsible Officials:

Texas A&M University acknowledges the findings in Verification. We will continue to work on improvements to mitigate and eliminate audit findings.

Corrective Action Plan:

Concerning the four students, the university reduced the number of household members in college. The university had interpreted their ability under the Department of Education (ED's) Quality Assurance Program to set their own verification criteria. In doing so, the university reduced the number of household members in college based on information presented on a student's verification form; for academic year 2017-2018, the university began following the ED's verification guidelines, as the Quality Assurance Program was ending. Following ED's verification guidelines rectified the issue noted above.

Continue following ED's verification guidelines.

Concerning the issue of one student that university did not accurately verify an education credit for \$1472.00, this was a manual error.

We have worked with our verification team to retrain and continue to complete quality checks on a sample of verification files on a regular basis to mitigate findings.

Implementation Date: Following ED's verification guidelines – November 2016

Responsible Person: Delisa Falks

Reference No. 2017-110

Special Tests and Provisions - Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164136; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P165286; CFDA 84.268, Federal Direct Student Loans, P268K175286; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T175286; and CFDA 84.408, Postsecondary Education Scholarships for Veteran's Dependents, P408A165286

Statistically valid sample – No and not intended to be a statistically valid sample

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 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

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

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)).

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. For purposes of this calculation, "institutional charges" are tuition, fees, room and board (if the student contracts with the institution for the room and board), and other educationally related expenses assessed by the institution (Title 34, CFR, Section 668.22(g)). The institutional charges used in the calculation are always the charges that were assessed to the student for the entire payment period or period of enrollment, as applicable, prior to the student's withdrawal. Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (for example, dropping or adding a class or changing enrollment status) (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 5, chapter 1).

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 A&M University (University) made errors in Title IV return calculations for 4 (7 percent) of 60 students tested. Specifically:

- For three students, the University incorrectly included institutional charges after the students withdrew or omitted institutional charges from the calculation. Two of those errors resulted in the University returning \$13 less than it should have returned. After auditors brought those errors to the University's attention, it returned those funds to the U.S. Department of Education; therefore, there were no questioned costs. One of those errors resulted in the University returning more than it should have returned; therefore, there were no questioned costs for that student.
- For one student, the University incorrectly calculated the total number of class days in the semester, which resulted in the University returning \$39 less than it should have. After auditors brought that error to the University's attention, it returned those funds to the U.S. Department of Education; therefore, there were no questioned costs.

The University did not have an effective monitoring process to identify the errors discussed above. Having a process that does not consistently calculate and return the correct amount of Title IV funds increases the risk that the University could return less Title IV funds than it is required to return.

Recommendations:

The University should:

- Calculate institutional charges correctly and consistently in accordance to U.S. Department of Education requirements.
- Use the correct number of class days in its return of Title IV calculations.
- Strengthen its monitoring process to help ensure that it accurately calculates returns.

Views of Responsible Officials:

Texas A&M University acknowledges the findings in Return of Title IV. We will continue to work on improvements to mitigate and eliminate audit findings.

Corrective Action Plan:

Concerning the three students, the university included institutional charges for after the students' withdrew or omitted institutional charges from the calculation. For one of these students who was an unofficial withdraw, the student had dining charges added after the last date of attendance-the charges should have not be included in the calculation. For two of these students the university did not include certain fees as institutional charges, which resulted in those fees being excluded in the Return of Title IV calculation.

Additional training has been provided to staff to ensure they do not include charges that are added after the last date of attendance in their Return of Title IV calculations. The University is also reviewing all charges to ensure those that should be included in the calculation are coded correctly.

Implementation Dates: September 2017/review of codes February 2018

Responsible Person: Delisa Falks

Concerning the one student, the university incorrectly calculated the total number of class days in the semester, which resulted in the university returning \$39 less than it should have. After auditors brought that error to the University's attention, it returned those funds to the U.S. Department of Education; therefore, there were no questioned cost.

Additional training has been provided to the individuals who process Return of Title IV, and additional information to be reviewed has been included in the quality check process to mitigate errors.

Implementation Date: September 2017

Responsible Person: Delisa Falks

Reference No. 2017-111

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2015-106 and 2016-108)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P165286; and CFDA 84.268, Federal Direct Student Loans, P268K175286

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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

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. Institutions must report the effective

date of a student's full-time enrollment status as the date on which the student most recently began uninterrupted enrollment on a full-time basis (*NSLDS Enrollment Reporting Guide*, Appendix C).

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 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:

- For one student who enrolled but never attended the Fall 2016 term, the University correctly reported the student's never attended status to NSLDS. However, NSC changed that student's status to withdrawn in a subsequent report submission. The University had a monitoring process for the information it reported to NSC; however, the University did not have a process to ensure that NSC reported accurate information to NSLDS.
- For one student, the University incorrectly reported the effective date for the student's enrollment status in the Spring 2017 term due to a manual error it made in reporting the term start date.

Not reporting student status changes accurately could affect determination that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government's payment of interest subsidies.

Recommendations:

The University should:

- Accurately report all student status changes and effective dates to NSLDS.
- Strengthen its monitoring process to ensure that status changes are accurately reported to NSLDS.

Views of Responsible Officials:

Texas A&M University acknowledges the findings in Enrollment Reporting. We will continue to work on improvements to mitigate and eliminate audit findings.

Corrective Action Plan:

Concerning the one student enrolled but never attended the fall 2016 term, in which we correctly reported the student never attended to NSLDS, however NSC changed the student's status to withdrawn in a subsequent report submission.

Students with a "Never Attended" status will have their NSLDS enrollment history records updated with this status on two consecutive days. Reporting these students twice to NSLDS as "Never Attended" will result in their being dropped from the SSCR and their enrollment status will no longer be requested from the NSC. This will prevent any overwrite of a manually entered status by one reported by the NSC.

As an added measure, students with these status updates directly to NSLDS will be monitored for accuracy throughout the semester.

Implementation Date: October 2017

Responsible Person: Venesa Heidick

For the one student the University incorrectly reported the effective date for the student's enrollment status in the Spring 2017 term due to a manual error it made in reporting the term start date.

Term start and end dates will be verified within the student information system and cross-checked with Scholarships & Financial aid prior to the start of each term to ensure all dates are correct and consistent when enrollment reporting begins for that term.

Implementation Date: May 2017

Responsible Person: Venesa Heidick

Texas A&M University – San Antonio

Reference No. 2017-112

Eligibility

Activities Allowed or Unallowed

Cash Management

Special Tests and Provisions – Institutional Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P168324; and CFDA 84.268, Federal Direct Student Loans, P268K178324

Statistically valid sample – No and not intended to be a statistically valid sample

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	

Texas A&M University – San Antonio (University) established different COA budgets for each term based on a student’s classification (for example undergraduate and graduate); residency (in-state and out-of-state); living status (on-campus, off-campus, and living with parents); and enrollment level (full-time, three-quarter-time, half-time, and less-than-half-time). The University used a student’s enrollment level as of the census date to calculate a student’s final COA.

For 8 (13 percent) of 61 students tested, the University incorrectly or inconsistently calculated COA. Specifically:

- For five students, the University did not calculate COA based on their actual enrollment as of the census date.
- For two students, the University calculated the COA using incorrect amounts for the budget components because it incorrectly set up the Summer 2017 budget tables in its student financial assistance system, Banner. The University identified that issue and corrected the budget tables in Banner in May 2017; however, the University did not recalculate the COA for those two students. That occurred because the University manually updated and locked the COAs for those two students in Banner before it corrected the budget tables.
- For one student, the University manually input an incorrect COA budget into Banner because, at that time, it did not have less-than-half-time COA amounts established in Banner.

The errors discussed above did not result in overawards of financial assistance; therefore, there were no questioned costs. However, by incorrectly calculating COA, the University increases the risk of overawarding or underawarding financial assistance to students.

Other Compliance Requirements

Although the general controls weaknesses described below apply to activities allowed or unallowed, cash management, and special tests and provisions – institutional eligibility, auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 appropriately restrict access at the server and database levels for its student financial assistance system, Banner. The University granted high-profile access to its database and servers to an excessive number of contractor employees.

The University hired a contractor to host and maintain Banner. According to the University, the contractor provided all of those users high-profile access as part of its business model to support all of its customers (including the University).

Allowing excessive or inappropriate access increases the risk of inappropriate changes to systems and data.

Recommendations:

The University should:

- Consistently follow its process to correctly calculate students' COAs.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited.

Views of Responsible Officials:

Cost of Attendance

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.

General Controls

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

Cost of Attendance

As of May 2017, the University appointed a new Director of Scholarships and Financial. With new leadership, the inaccuracy and inconsistency with calculating Cost of Attendance were identified and immediately corrected. Additionally, new budget tables were established and new practices, as well as strategies, were developed and implemented to streamline budgeting for proper awarding. The following corrective actions will also be implemented to address all findings related to Cost of Attendance: (1) To further improve consistency, the Office of Scholarships and Financial Aid will develop monitoring reports to be run after census date to conduct Quality Control and identify any students whose budget information is not consistent with census enrollment statuses, and (2) The management team in the Office of Scholarships and Financial Aid will also conduct Quality Control on COA budgets that were manually adjusted to ensure accuracy and consistency with the department's established budget tables.

Implementation Date: February 2018

Responsible Person: Angelika Williams

General Controls

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Reference No. 2017-113

Reporting

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award number – CFDA 84.063, Federal Pell Grant Program, P063P168324

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

Federal Pell Grant Reporting

Institutions must report all Federal Pell Grant disbursements and submit required records to the Common Origination and Disbursement (COD) system no later than 15 days after making the disbursement or becoming aware of the need to adjust a previously reported disbursement. Institutions must also report any change in the amount of a grant for which a student qualifies, including payment data changes that disclose the basis and result of the change in award for each student. Reporting this information will help ensure that institutions have the most accurate information available about students’ lifetime eligibility used and help prevent an institution from overawarding students (Title 34, Code of Federal Regulations (CFR), Section 690.83(b); U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 3, chapter 1; and *Federal Register*, volume 81, number 64).

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

Institutions must establish and maintain effective internal control over federal awards 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).

Texas A&M University-San Antonio (University) did not have adequate controls over its reporting of Federal Pell Grant information to the COD system. The University had a process to reconcile Federal Pell Grant disbursement information on a monthly basis; however, it did not review and resolve discrepancies between its financial assistance system, Banner, and the COD system. As a result, the University did not identify that for 1 (2 percent) of 60 students tested, it did not accurately report that student’s Federal Pell Grant disbursement amount to the COD system. Auditors confirmed that the student’s Federal Pell Grant disbursement information in Banner was correct; therefore, there were no questioned costs. In addition, the University did not have adequate, detailed policies and procedures for reporting to COD and performing monthly reconciliations.

Not accurately reporting information to the COD system could result in the institution overawarding Federal Pell Grant funds.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 at the server and database levels for its student financial assistance system, Banner. The University granted high-profile access to its database and servers to an excessive number of contractor employees.

The University hired a contractor to host and maintain Banner. According to the University, the contractor provided all of those users high-profile access as part of its business model to support all of its customers (including the University).

Allowing excessive or inappropriate access increases the risk of inappropriate changes to systems and data.

Recommendations:

The University should:

- Develop and implement controls to reconcile Federal Pell Grants to help ensure that the information it reports to the COD system is accurate.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited.

Views of Responsible Officials:

Federal Pell Grant Reporting

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.

General Controls

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

Federal Pell Grant Reporting

As of May 2017, the University appointed a new Director of Scholarships and Financial. With new leadership, concerns with Federal Pell Grant reconciliation were identified and a monitoring report was immediately implemented. Additionally, new practices, as well as strategies, were developed and implemented for correcting the process of Federal Pell Grant Reporting. The following corrective actions will also be implemented to improve Federal Pell Grant Reconciliation: (1) The Office of Scholarships and Financial Aid will continue monitoring Federal Pell Grant disbursements from Banner to COD for ensuring disbursement records are reported to COD within 15 business days, (2) The Office of Scholarships and Financial Aid will also develop a process and procedures for reviewing the COD Grant Data reports, (3) The management team in the Office of Scholarships and Financial Aid will review and compare the monitoring reports from Banner against the COD Grant Data reports to identify and resolve any discrepancies and (4) The Office of Scholarships and Financial Aid will work collaboratively with other offices, such as Accounting Services and Student Business Services, to reconcile between the financial systems and COD.

Implementation Date: February 2018

Responsible Person: Angelika Williams

General Controls

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that

access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Reference No. 2017-114

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P168324; and CFDA 84.268, Federal Direct Student Loans, P268K178324

Statistically valid sample – No and not intended to be a statistically valid sample

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 benefits, 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 80, number 123).

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 subsidized financial aid awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

Household size for a dependent student includes (1) the student; (2) the student’s parents; (3) the student’s siblings and children, if they will receive more than half their support from the student’s parent(s) for the entire award year; and (4) other persons who live with and receive more than half their support from the student’s parent(s) and will receive more than half support for the entire award year. Household size for an independent student includes (1) the student; (2) his or her spouse; (3) the student’s children if they will receive more than half their support from the student for the entire award year; and (4) other persons who live with and receive more than half their support from the student and will receive more than half support for the entire award year. Number in college always includes (1) the student and (2) those in the household size who are or will be enrolled at least half time during the award year in a degree or certificate program at a Title IV-eligible school and who can reasonably be expected to receive aid from the family for their education (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook, Application and Verification Guide*, chapter 2). Acceptable documentation for verifying household size and the number of household members who are in college includes a statement signed by the applicant, and if the applicant is a dependent student, by one of the applicant’s parents, that lists the name and age of each household member, the relationship of that household member to the applicant, and the name of the educational institution for each household member who is or will be attending at least half-time in a program that leads to a degree or certificate (Title 34, CFR, Sections 668.57(b) and (c), and *Federal Register*, volume 80, number 123).

For 6 (10 percent) of 61 students tested, Texas A&M University – San Antonio (University) did not accurately verify certain required items on the students’ FAFSAs, or it made unsupported changes to FAFSA items. Specifically:

- The University incorrectly reduced the household size and/or the number of household members in college for four students. Those students certified their household size and the number of household members in college on their verification forms, but the University removed household member(s) from the household size and/or the

number of household members in college without obtaining additional support from those students. In addition, for one of those students, the University incorrectly increased that student's AGI, but it did not obtain documentation for that change from the student. When auditors brought those errors to the University's attention, the deadline to submit corrections for the award year had passed. However, the University performed procedures in its student financial assistance system, Banner, to correct the errors. For two students, the University asserted those errors did not result in changes to the students' EFCs or financial assistance awards. For the remaining two students, the University asserted those errors resulted in changes to the students' EFCs and that, as a result, both students were underawarded financial assistance.

- For one student, the University incorrectly verified the parents' income tax paid because it reviewed the incorrect field on the tax return transcript. When auditors brought that error to the University's attention, the deadline to submit corrections for the award year had passed. However, the University performed procedures in Banner to correct the error and asserted that the error resulted in a change to the student's EFC and that, as a result, the student was overawarded \$200 in Pell Grant funds. The University subsequently returned the overawarded amount to the U.S. Department of Education.
- For one student, the University did not obtain supporting documentation from the student for income information and inappropriately waived the request for that information from the student. As a result, auditors were not able to determine whether there were any questioned costs for that student.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 at the server and database levels for its student financial assistance system, Banner. The University granted high-profile access to its database and servers to an excessive number of contractor employees.

The University hired a contractor to host and maintain Banner. According to the University, the contractor provided all of those users high-profile access as part of its business model to support all of its customers (including the University).

Allowing excessive or inappropriate access increases the risk of inappropriate changes to systems and data.

Recommendations:

The University should:

- Accurately verify all required FAFSA information for students selected for verification and make changes based only on the supporting documentation that students provide.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited.

Views of Responsible Officials:

Verification of Applications

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.

General Controls

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

Verification of Applications

Additional training will be provided to Financial Aid staff on verification procedures and required documentation needed from students/parents to ensure all information is required and received in order to accurately complete verification of student files. On a monthly basis, the Associate Director will conduct Quality Control of sample/selected files to ensure accuracy and make certain all required information/documentation has been received.

Implementation Date: February 2018

Responsible Persons: Angelika Williams and Sylvia Alafa

General Controls

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Reference No. 2017-115

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

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P168324; and CFDA 84.268, Federal Direct Student Loans, P268K178324

Statistically valid sample – No and not intended to be a statistically valid sample

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	

For 2 (3 percent) of 61 students tested, Texas A&M University – San Antonio (University) disbursed funds to transfer students before it reviewed the students’ financial aid history. While the University obtained those students’ loan histories from NSLDS, it reviewed that information and updated those students’ records after it disbursed financial assistance to those students. The University did not overaward student financial assistance as a result of that issue. However, not reviewing updated NSLDS information prior to disbursing funds increases the risk that the University could overaward financial assistance to students who had received financial assistance at another institution.

Disbursement Notification Letters

If an institution credits a student's ledger account with Direct Student Loan funds, the institution must notify the student or parent of (1) the anticipated date and amount of the disbursement, (2) the student's or parent's right to cancel all or a portion of that loan and have the loan proceeds returned to the U.S. Department of Education, and (3) the procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The institution must provide the notice in writing no earlier than 30 days before, and no later than 30 days after, crediting the student's ledger account at the institution. (Title 34, CFR, Section 668.165).

The University did not send disbursement notification letters or did not send disbursement notification letters in accordance with required time frames for 34 (83 percent) of 41 students tested who received Direct Student Loans. Specifically, it did not send any disbursement notification letters to 27 students; for the remaining 7 students, the University sent disbursement notification letters 78 days after crediting the students' ledger accounts. Those errors occurred because the University (1) did not perform its manual process to generate the disbursement notification letters and (2) had weaknesses in its monitoring process that prevented it from detecting that it had not sent disbursement notification letters.

Not receiving disbursement notifications or receiving them late impairs students' and parents' ability to cancel their loans.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 at the server and database levels for its student financial assistance system, Banner. The University granted high-profile access to its database and servers to an excessive number of contractor employees.

The University hired a contractor to host and maintain Banner. According to the University, the contractor provided all of those users high-profile access as part of its business model to support all of its customers (including the University).

Allowing excessive or inappropriate access increases the risk of inappropriate changes to systems and data.

Recommendations:

The University should:

- Review NSLDS financial assistance history prior to disbursing funds.
- Strengthen its controls to help ensure that it sends disbursement notifications within the required time frames.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited.

Views of Responsible Officials:

Transfer Monitoring and Disbursement Notification Letters

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.

General Controls

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

Transfer Monitoring

The management team within the Office of Scholarships and Financial Aid will implement procedures for ensuring students' NSLDS history is reviewed prior to disbursements.

Implementation Date: February 2018

Responsible Person: Angelika Williams

Disbursement Notification Letters

The generation of Disbursement Notification Letters has been moved to an automated process. The disbursement notification jobs are scheduled to run daily at 10:30 p.m. As a result, this job is no longer a manual process. Additionally, the new automated process generates email notifications that allow the Office of Scholarships and Financial Aid Management Team and Financial Aid System Analysts to confirm the successful process of the disbursement notification jobs. After the job processes, a student log is also generated and will be evaluated via Quality Control by the Office of Scholarships and Financial Aid Management Team and Financial Aid System Analysts.

Implementation Date: February 2018

Responsible Person: Angelika Williams

General Controls

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Reference No. 2017-116

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P168324; and CFDA 84.268, Federal Direct Student Loans, P268K178324

Statistically valid sample – No and not intended to be a statistically valid sample

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:	\$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. For purposes of this calculation, “institutional charges” are tuition, fees, room and board (if the student contracts with the institution for the room and board), and other educationally related expenses assessed by the institution (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 A&M University – San Antonio (University) made errors in its return of Title IV funds calculations for 26 (42 percent) of 62 students tested. Specifically:

- For 24 students, the University incorrectly determined the number of days in the payment period. The University incorrectly used 6 days (instead of 8 days) for its Spring break period when it determined the payment period for the Spring 2017 term. In addition, for two of those students the University also made manual errors in its calculation of institutional charges.
- For 2 students, the University made manual errors in its calculation of institutional charges.

As a result of those errors, the University returned less than it was required to return for 10 students. However, after auditors brought the issues to the University’s attention, it corrected the return calculations and returned the additional funds; therefore, there were no questions costs. For the remaining students, the University returned more than it was required to return or the errors did not affect the amount of funds to be returned.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 at the server and database levels for its student financial assistance system, Banner. The University granted high-profile access to its database and servers to an excessive number of contractor employees.

The University hired a contractor to host and maintain Banner. According to the University, the contractor provided all of those users high-profile access as part of its business model to support all of its customers (including the University).

Allowing excessive or inappropriate access increases the risk of inappropriate changes to systems and data.

Recommendations:

The University should:

- Accurately determine the number of days in scheduled breaks and calculate returns of Title IV funds correctly based on the payment period excluding scheduled breaks.
- Calculate institutional charges correctly and consistently in accordance with U.S. Department of Education requirements.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited.

Views of Responsible Officials:

Return of Title IV Calculations

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.

General Controls

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

Return of Title IV Calculations

Additional training will be provided to Financial Aid staff on federal regulations related to the number of days in the payment period while considering scheduled breaks. Also, Financial Aid staff will receive training on calculating institutional charges. The management team in the Office of Scholarships and Financial Aid will conduct monthly quality control to ensure the accuracy of Return of Title IV calculations.

Implementation Date: February 2018

Responsible Person: Angelika Williams

General Controls

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Reference No. 2017-117

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P168324; and CFDA 84.268, Federal Direct Student Loans, P268K178324

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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

Texas A&M University - San Antonio (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 14 (23 percent) of 62 students tested who had a status change, the University (1) did not report status changes to NSLDS when required, (2) did not accurately report effective dates of status changes to NSLDS, or (3) did not report status changes to NSLDS in a timely manner. Specifically, the University:

- Did not report six students’ enrollment status changes.
- Reported incorrect effective dates for four students’ enrollment status changes and did not report those status changes in a timely manner.
- Did not report one student’s withdrawn status.
- Did not report one student’s never attended status.
- Reported an incorrect effective date for one student’s withdrawal.
- Did not report one student’s status change in a timely manner. Specifically, the University reported that student’s enrollment status change 68 days after that change occurred.

Those errors occurred because the University incorrectly configured its student financial assistance system, Banner, or because it made manual errors. Not reporting student status changes or the effective dates of those 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 awards 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 at the server and database levels for its student financial assistance system, Banner. The University granted high-profile access to its database and servers to an excessive number of contractor employees.

The University hired a contractor to host and maintain Banner. According to the University, the contractor provided all of those users high-profile access as part of its business model to support all of its customers (including the University).

Allowing excessive or inappropriate access increases the risk of inappropriate changes to systems and data.

Recommendations:

The University should:

- Accurately report all student status changes and effective dates to NSLDS in a timely manner.
- Strengthen controls to ensure that it identifies changes in enrollment status.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited.

Views of Responsible Officials:

Enrollment Reporting

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.

General Controls

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

Enrollment Reporting

The University has already implemented significant process enhancements in this area. Additional reports will be processed to compare actual statuses and status changes to enrollment reports submitted to the National Student Clearinghouse. Also, the Registrar's Office and Office of Scholarships and Financial Aid will work collaboratively to ensure withdrawal dates are reported in a timely manner.

Implementation Date: January 2018

Responsible Persons: Rachel Montejano and Angelika Williams

General Controls

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors

with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Reference No. 2017-118

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

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award number – CFDA 84.268, Federal Direct Student Loans, P268K178324

Statistically valid sample – No and not intended to be a statistically valid sample

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 (*Federal Register*, volume 81, number 64). Each month, the COD system provides institutions with a School Account Statement (SAS) data file, which consists of a cash summary, cash detail, and loan detail records. The institution is required to reconcile those files to its financial records on a monthly basis (Title 34, Code of Federal Regulations (CFR), Section 685.300(b)(5), and U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 4, chapter 6).

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

Texas A&M University – San Antonio (University) did not accurately or completely reconcile required loan information. The University performed monthly reconciliations of Direct Student Loan information in its student financial assistance information system (Banner), financial accounting system, drawdown information from the U.S. Department of Education’s G5 system, and COD system loan disbursement data. However, when it performed those reconciliations, it did not use data for the same time period from each system or the SAS files provided by the U.S. Department of Education. In addition, the University did not document its identification and resolution of discrepancies between its records and SAS data. The University’s reconciliations also did not include a required review of the cash detail or summary reports.

Although auditors did not identify instances of non-compliance in the reporting of student-level detail to the COD System for Federal Direct Student Loans, not preparing reconciliations in accordance with federal requirements increases the risk that the University could report inaccurate or incomplete Direct Loan disbursement data to the DLSS.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 at the server and database levels for its student financial assistance system, Banner. The University granted high-profile access to its database and servers to an excessive number of contractor employees.

The University hired a contractor to host and maintain Banner. According to the University, the contractor provided all of those users high-profile access as part of its business model to support all of its customers (including the University).

Allowing excessive or inappropriate access increases the risk of inappropriate changes to systems and data.

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 Banner and the monthly SAS files it receives.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited.

Views of Responsible Officials:

Borrower Data Transmission and Reconciliation

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.

General Controls

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

Borrower Data Transmission and Reconciliation

As of May 2017, the University appointed a new Director of Scholarships and Financial. With new leadership, concerns with Federal Direct Loans reconciliation were identified and a monitoring report was immediately implemented. Additionally, new practices, as well as strategies, were developed and implemented for correcting the process of Federal Direct Loans Reporting. The following corrective actions will also be implemented to improve Federal Direct Loan Reconciliation: (1) The Office of Scholarships and Financial Aid will continue monitoring Federal Direct Loan disbursements from Banner to COD for ensuring disbursement records are reported to COD within 15 business days, (2) The Office of Scholarships and Financial Aid will also develop a process and procedures for reviewing the SAS files by the U.S. Department of Education, (3) The management team in the Office of Scholarships and Financial Aid will review and compare the monitoring reports from Banner against the SAS data to identify and resolve any discrepancies and (4) The Office of Scholarships and Financial Aid will work collaboratively with other offices, such as Accounting Services and Student Business Services, to reconcile between the financial systems and COD.

Implementation Date: February 2018

Responsible Person: Angelika Williams

General Controls

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Texas Southern University

Reference No. 2017-119

Eligibility

Special Tests and Provisions – Institutional Eligibility

Activities Allowed or Unallowed

Cash Management

Reporting

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)

(Prior Audit Issues 2016-109, 2016-111, 2016-112, and 2016-114)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164145; CFDA 84.033, Federal Work-Study Program, P033A164145; CFDA 84.063, Federal Pell Grant Program, P063P162327; CFDA 84.268, Federal Direct Student Loans, P268K172327; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172327

Statistically valid sample – No and not intended to be a statistically valid sample

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 (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook, Application and Verification Guide*, chapter 1, and Title 34, Code of Federal Regulations (CFR), Sections 668.2, 673.5, and 685.301).

Texas Southern University (University) established different COA budgets based on a student’s classification (for example undergraduate and graduate); residency (in-state and 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.

For 16 (26 percent) of 62 students tested, the University incorrectly calculated the COA. Specifically, the University:

- Assigned incorrect loan fee budgets to 11 students’ COAs. As a result, nine of those students’ COAs were understated. The other two students’ COAs were overstated; however, the University did not overaward those students financial assistance; therefore, there were no questioned costs.
- Assigned one student a COA for a term in which the student was not enrolled. As a result, the University overawarded that student a Federal Direct PLUS Loan in the amount of \$6,353. After auditors brought that error to the University’s attention, it returned the loan funds to the U.S. Department of Education; therefore, there were no questioned costs.

- Did not assign one student the correct COA for the program in which the student was enrolled. As a result, the student's COA was understated; however, the University did not underaward financial assistance to that student because that student had already received the maximum financial assistance.
- Applied an incorrect room and board budget to the COA for two students for the Summer term. That error occurred because the University incorrectly established the Summer term room and board component for the COA in Banner. As a result, those students' COAs were overstated; however, the University did not overaward those students financial assistance. Therefore, there were no questioned costs.
- Did not assign one student a COA in Banner for the Summer term. As a result, the University awarded Federal Direct PLUS Loans in excess of that student's financial need. Specifically, the University awarded and disbursed a \$22,093 Graduate Direct PLUS Loan that exceeded the student's COA minus other estimated financial assistance. After auditors brought that error to the University's attention, it corrected the award and returned funds to the U.S. Department of Education; therefore, there were no questioned costs.

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. 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, *2016-2017 Federal Student Aid Handbook*, volume 1, chapter 1). 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)).

For 2 (3 percent) of 62 students tested, the University did not assign a correct SAP status. Specifically:

- One student did not meet the pace at which the student must progress through a program to ensure that the student would graduate within the maximum time frame. The University erroneously assigned that student a SAP status that indicated that student met SAP requirements. That error occurred because the University made a manual error when it updated the SAP status for that student.
- One student exceeded the maximum time frame required to complete that student's program; however, the University did not identify that student as not meeting its SAP policy. That error occurred because the University did not record in Banner and consider that student's transfer hours prior to that student's graduation in December 2016.

Because those students were not meeting the University's SAP policy, they were not eligible to receive the Title IV assistance that the University disbursed to them. 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.

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 as necessary to begin a career in teaching or plans to complete such coursework prior to graduation. If the student is beyond the first year of a program of undergraduate education, the student must have a cumulative grade point average (GPA) of at least 3.25 on a 4.0 scale based on courses taken at the institution through the most-recently completed payment period (Title 34, CFR, Section 686.11(a)).

The University awarded TEACH grant funds to one student who was not eligible to receive those funds. That student had a cumulative GPA that was below the required 3.25 GPA. That error occurred because the University checked the GPA at the time it awarded TEACH grant funds in the Spring of 2016, but it did not confirm that student's eligibility at the time it disbursed those funds and at the completion of the Spring 2016 term. After auditors brought that error to the University's attention, it corrected the award and returned the 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, cash management, reporting, 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 areas.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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:

- Eleven contractor employees had inappropriate high-level administrative access at the network level. After auditors brought those issues to its attention, the University removed the inappropriate access.
- Nine contractors had inappropriate access to screens in Banner that control budget tables, fund rules, disbursement dates, and other programmed rules. After auditors brought those issues to its attention, the University removed the inappropriate access.
- The University's contractor was not able to identify which employees had access to two database administrator-level service accounts.
- Five former contractor employees had inappropriate access to the Web and application servers and the database server; the University did not disable their network access promptly after their termination dates. One current contractor employee also had inappropriate access to the database server. In addition, the University did not disable an unused test account on the Web and application servers.

The University shares responsibility for administration of its network—as well as the server, database, and application levels of Banner—with its contractor.

Those errors occurred because the University and its contractor did not appropriately review users' access based on their job responsibilities and employment status. 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.
- Consistently and accurately apply its SAP policy to ensure that it assigns students the correct SAP status.
- Disburse TEACH grant funds only to eligible students.
- Appropriately limit access to its student financial assistance information system to users based on their job responsibilities and employment status.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited to users based on their job responsibilities and employment status.

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

Cost of Attendance

Texas Southern University has updated the batch posting process to ensure students in each category are properly identified when posting loan fees. The University is developing a monitoring report to assist in reviewing the accuracy of the budget components for consistency and accuracy based on program, term of enrollment, level and classification.

Implementation Date: April 2018

Responsible Person: Ms. Linda Ballard

Satisfactory Academic Progress

For one student the Financial Aid Counselor manually updated the SAP status from suspension to meeting satisfactory academic progress for the term. Texas Southern University will provide enhanced, specialized training of the Financial Aid staff on Satisfactory Academic Progress.

For one student the academic record for a prior institution was not reported until the following academic year. The SAP status was not retroactively calculated for the prior year and the financial aid left in state. The student was accurately placed on SAP suspension in the active aid year. The University is researching best practices within the industry and consulting with the U.S. Department of Education to develop a policy that will address any future occurrences of this same nature.

Implementation Date: May 2018

Responsible Person: Ms. Linda Ballard

TEACH Grant

The financial aid unit will strengthen disbursement controls to ensure GPA is monitored and validated at the time of disbursement to ensure that eligibility requirements are met when awarding TEACH Grant funds.

Implementation Date: May 2018

Responsible Person: Ms. Linda Ballard

General Controls

The Office of Information Technology will perform a weekly security review with the technology service provider, Ellucian. The Office of Technology will verify on a monthly basis, that all terminated contractor accounts with system and/or administrative access are removed and that existing accounts have the appropriate access, which will be evident in the job description/responsibilities for such roles/profiles or end users.

Implementation Date: March 2018

Responsible Persons: Mr. Luis Villarreal and Ms. Robin Brown

The Office of Information Technology is currently in the process of conducting a review of all database administrator-level service accounts held by contractors, Ellucian. The Office of Information Technology will work with its contractor to change all accounts that should not have database administrator-level service access. The Office of Information Technology will implement controls to ensure that Ellucian identifies end users with access to all of the

remaining database administrator-level service accounts, and that the purpose for such access is identified/documented in the job description.

Implementation Date: February 2018

Responsible Persons: Mr. Luis Villarreal and Ms. Robin Brown

Reference No. 2017-120

Special Tests and Provisions – Verification

(Prior Audit Issue 2016-110)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164145; CFDA 84.033, Federal Work-Study Program, P033A164145; CFDA 84.063, Federal Pell Grant Program, P063P162327; CFDA 84.268, Federal Direct Student Loans, P268K172327; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172327

Statistically valid sample – No and not intended to be a statistically valid sample

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) benefits, 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 80, number 123).

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 subsidized student financial assistance awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

For 8 (13 percent) of 61 students tested, Texas Southern University (University) did not accurately update its records when it performed verification. For those eight students, the University did not correct those students’ ISIRs for one or more of the following items: adjusted gross income; U.S. income taxes paid; number of household members; number of household members in college; and SNAP benefits. Those errors occurred because the University did not update its student financial assistance system with the appropriate information after it had reviewed documentation that the students had submitted. The University also did not have an adequate monitoring process to help ensure that it accurately documented verification information in its student financial assistance system.

When auditors brought those errors to the University’s attention, the deadline to submit corrections for the award year had passed. As a result, the University did not make corrections to those students’ ISIRs and auditors could not determine whether there was an effect on those students’ EFCs or financial assistance awards. The University asserted that those errors resulted in changes to three of those students’ EFCs and it returned the Federal Pell Grant funds that it overawarded. Auditors confirmed that the University returned Federal Pell Grant funds to the U.S. Department of Education but could not confirm whether the amounts it returned were accurate.

Not verifying FAFSA information appropriately could result in the University overawarding or underawarding student financial assistance.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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:

- Eleven contractor employees had inappropriate high-level administrative access at the network level. After auditors brought those issues to its attention, the University removed the inappropriate access.
- Nine contractors had inappropriate access to screens in Banner that control budget tables, fund rules, disbursement dates, and other programmed rules. After auditors brought those issues to its attention, the University removed the inappropriate access.
- The University's contractor was not able to identify which employees had access to two database administrator-level service accounts.
- Five former contractor employees had inappropriate access to the Web and application servers and the database server; the University did not disable their network access promptly after their termination dates. One current contractor employee also had inappropriate access to the database server. In addition, the University did not disable an unused test account on the Web and application servers.

The University shares responsibility for administration of its network—as well as the server, database, and application levels of Banner—with its contractor.

Those errors occurred because the University and its contractor did not appropriately review users' access based on their job responsibilities and employment status. 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 update its records when it performs verification and request updated ISIRs when required.
- Strengthen its monitoring of the verification process to ensure that it makes corrections when required.
- Appropriately limit access to its student financial assistance information system to users based on their job responsibilities and employment status.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited to users based on their job responsibilities and employment status.

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

Verification

Currently, the ISIRS are exported on every student that has an update to the file for changes affecting 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) benefits, 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 80, number 123). The records not sent during the auditing period exceeded September 9, 2017 due to the timing of the review. September 9 is the official cut-off date for submitting corrections to the Common

Origination and Disbursements. No exceptions were identified or found with the actual transmission/receipt of corrections for files (a technical control managed by Ellucian).

Texas Southern will enhance monitoring controls in this area of compliance and implement modifications where appropriate based on regulatory updates and/or best practices within the industry. Additionally, the BANNER system is monitored throughout the year. Corrections are not accepted and paid until the BANNER generated system EFC and the EFC returned on the ISIR record are equal to ensure the BANNER system continues to produce accurate calculations. Validation checks will be performed when the EFC and ISIR data changes.

Texas Southern University will performed enhanced training of its Scholarships & Financial Aid staff on these verification controls. Additionally, a quality assurance process will be implemented a (sample) portion of the total verification population to identify errors more readily.

Implementation Date: March 2018

Responsible Person: Ms. Linda Ballard

General Controls

The Office of Information Technology will perform a weekly security review with the technology service provider, Ellucian. The Office of Technology will verify on a monthly basis, that all terminated contractor accounts with system and/or administrative access are removed and that existing accounts have the appropriate access, which will be evident in the job description/responsibilities for such roles/profiles or end users.

Implementation Date: March 2018

Responsible Persons: Mr. Luis Villarreal and Ms. Robin Brown

The Office of Information Technology is currently in the process of conducting a review of all database administrator-level service accounts held by contractors, Ellucian. The Office of Information Technology will work with its contractor to change all accounts that should not have database administrator-level service access. The Office of Information Technology will implement controls to ensure that Ellucian identifies end users with access to all of the remaining database administrator-level service accounts, and that the purpose for such access is identified/documented in the job description.

Implementation Date: February 2018

Responsible Persons: Mr. Luis Villarreal and Ms. Robin Brown

Reference No. 2017-121

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issue 2016-113)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P162327; and CFDA 84.268, Federal Direct Student Loans, P268K172327

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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. For students who registered but never attended classes at an institution, the institution must report a never attended status (*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)).

Texas Southern 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 25 (38 percent) of 65 students tested who had a status change, the University did not (1) report status changes to NSLDS when required or (2) accurately report status changes to NSLDS. Specifically, the University:

- Reported 19 students as enrolled half-time when those students were enrolled as three-quarter time. That occurred because the University did not have a process to report three-quarter-time statuses to NSLDS.
- Reported two students as withdrawn when it should have reported those students as never attended to NSLDS.
- Did not report three students’ graduated status to NSLDS.
- Did not report one student’s enrollment status to NSLDS.

For 5 (8 percent) of 65 students tested who had a status change, the University did not accurately report the effective date of the status change to NSLDS. Specifically:

- For four students who did not begin attendance for the term, the University did not report the final day of the term in which the students were last enrolled as the effective date of the withdrawal.
- For one student, the University reported a graduation date that differed from the graduation date recorded in the University's financial assistance system, Banner.

For 2 (3 percent) of 65 students tested who had a status change, the University did not report the status change to NSLDS in a timely manner. Specifically, the University reported those students' status changes 62 days and 77 days after the status changes occurred.

The University did not have adequate controls to help ensure that status changes were reported to NSLDS accurately and in a timely manner. Not reporting student status changes or not reporting 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 awards 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:

- Eleven contractor employees had inappropriate high-level administrative access at the network level. After auditors brought those issues to its attention, the University removed the inappropriate access.
- Nine contractors had inappropriate access to screens in Banner that control budget tables, fund rules, disbursement dates, and other programmed rules. After auditors brought those issues to its attention, the University removed the inappropriate access.
- The University's contractor was not able to identify which employees had access to two database administrator-level service accounts.
- Five former contractor employees had inappropriate access to the Web and application servers and the database server; the University did not disable their network access promptly after their termination dates. One current contractor employee also had inappropriate access to the database server. In addition, the University did not disable an unused test account on the Web and application servers.

The University shares responsibility for administration of its network—as well as the server, database, and application levels of Banner—with its contractor.

Those errors occurred because the University and its contractor did not appropriately review users' access based on their job responsibilities and employment status. 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:

- Develop and implement a process to report three-quarter-time enrollment statuses to NSLDS.
- Accurately report status changes and effective dates to NSLDS in a timely manner.
- Establish and implement controls to help ensure that status changes are reported to NSLDS accurately and in a timely manner.
- Appropriately limit access to its student financial assistance information system to users based on their job responsibilities and employment status.
- Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited to users based on their job responsibilities and employment status.

Views of Responsible Officials:

Enrollment Reporting

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below. Accurately Report status changes and effective dates to NSLDS in a timely manner.

General Controls

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

Enrollment Reporting

Texas Southern has conducted a review to ensure the three-quarter time course load for graduate and undergraduate time statuses are correctly established in the BANNER system. The reporting process has been updated to capture the enrollment status. To further enhance the reporting capabilities, key personnel have been granted direct access to the National Student Loan Database to enhance the on-line reporting capabilities. Deadlines have been imposed and monitored to ensure the timely reporting of grades lessening the possibility of late reporting. TSU is also researching best practices to determine how it may further enhance the timely reporting of grade changes based on industry standards in higher education.

Implementation Date: May 2018

Responsible Person: Mrs. Marilyn Square

General Controls

The Office of Information Technology will perform a weekly security review with the technology service provider, Ellucian. The Office of Technology will verify on a monthly basis, that all terminated contractor accounts with system and/or administrative access are removed and that existing accounts have the appropriate access, which will be evident in the job description/responsibilities for such roles/profiles or end users.

Implementation Date: March 2018

Responsible Persons: Mr. Luis Villarreal and Ms. Robin Brown

The Office of Information Technology is currently in the process of conducting a review of all database administrator-level service accounts held by contractors, Ellucian. The Office of Information Technology will work with its contractor to change all accounts that should not have database administrator-level service access. The Office of Information Technology will implement controls to ensure that Ellucian identifies end users with access to all of the remaining database administrator-level service accounts, and that the purpose for such access is identified/documented in the job description.

Implementation Date: February 2018

Responsible Persons: Mr. Luis Villarreal and Ms. Robin Brown

Texas State University

Reference No. 2017-122

Activities Allowed or Unallowed

Cash Management

Eligibility

Reporting

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 – Enrollment Reporting

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

Special Tests and Provisions – Institutional Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164122; CFDA 84.033, Federal Work-Study Program, P033A164122; CFDA 84.063, Federal Pell Grant Program, P063P160387; CFDA 84.268, Federal Direct Student Loans, P268K170387; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T170387

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency

Institutions must establish and maintain effective internal control over federal awards 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).

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

Texas State University (University) did not have sufficient controls or proper segregation of duties over its change management process for information systems. Specifically:

- For 1 (8 percent) of 12 non-emergency (or normal) changes tested, the University did not ensure that its change advisory board approved the change prior to migrating that change to the production environment. According to the University’s policy, a non-emergency change requires approval by the change advisory board (1) before the University builds the change and tests it in the non-production environment and (2) before the University migrates the change to the production environment.
- For 1 (5 percent) emergency change within the 21 non-emergency and emergency changes tested, an authorized database administrator did not migrate the change to the production environment. The University defines emergency changes as changes that it must migrate to the production environment as soon as possible (such as changes to restore service, avoid an outage, or fix a critical vulnerability). Although emergency changes do not require approval by the change advisory board, the University sent the members of the change advisory board an email to notify them about the emergency change request.

Although the University had an appropriate change management policy; it did not always enforce that policy. That increases the risk of unauthorized programming changes being made to critical information systems that the University uses to administer student financial assistance.

Although the general controls weaknesses described above apply to activities allowed or unallowed, cash management, eligibility, reporting, 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 – enrollment reporting, special tests and provisions – borrower data transmission and reconciliation (direct loan), and special tests and provisions – institutional eligibility, auditors identified no compliance issues regarding those compliance requirements.

Recommendation:

The University should consistently follow its change management policy to obtain required approvals for changes to information systems and require only authorized individuals to migrate changes to the production environment.

Views of Responsible Officials:

The University acknowledges the two specific issues identified and fully supports the recommendation. Through analysis of the exceptions identified during the audit, it was determined to be user error scenarios. The University will take corrective action to help ensure adherence to the change management processes.

Corrective Action Plan:

A communication will go out to all Technology Resources staff reiterating the importance of change management process adherence and will include an attached copy of the Technology Resources Change Management Process documentation.

Implementation Date: December 15, 2017

Responsible Person: Mark A. Hughes

Texas Tech University

Reference No. 2017-123

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164151; CFDA 84.033, Federal Work-Study Program, P033A164151; CFDA 84.063, Federal Pell Grant Program, P063P162328; CFDA 84.268, Federal Direct Student Loans, P268K172328; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172328

Statistically valid sample – No and not intended to be a statistically valid sample

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 benefits, 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 80, number 123).

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 subsidized student financial assistance awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

The U.S. Department of Education automatically distributes (or “pushes”) to institutions certain ISIR transactions processed by the Central Processing System (CPS); it then requires the institutions to take some sort of action. An example of a pushed ISIR would be a student-corrected ISIR that causes a change to the EFC. Institutions are required to review all pushed ISIRs and assess any potential effect on students’ eligibility for assistance (2016-2017 *Electronic Data Exchange (EDE) Technical Reference*).

For 2 (3 percent) of 61 students tested, Texas Tech University (University) did not accurately verify all required items on the FAFSA; therefore, it did not subsequently update its records and request updated ISIRs as required. For those two students, the University did not accurately verify other untaxed income or number of household members. Specifically:

- The verification forms the University used did not allow for students to specify the source(s) of other untaxed income, and the University did not request clarifications for the source of other untaxed income reported for one student. The University subsequently verified that the student’s EFC would not have changed; therefore, there were no questioned costs.
- For one student, the number of family members in the household the student reported was inconsistent with information transferred to the University’s financial aid system, Banner. The University did not request corrections or clarifications; instead, it relied on information the student submitted the prior year. After auditors brought that issue to its attention, the University confirmed with the student the number of family members in the household; therefore, there were no questioned costs.

Not properly verifying FAFSA information could result in incomplete verification of FAFSA information and overawarding or underawarding student federal financial assistance.

The University also did not properly load ISIRs selected for verification into its financial aid system during the 2016-2017 award year, resulting in 39 students for whom the University did not verify information before it disbursed funds. Specifically, the University’s procedure was to load CPS-pushed ISIRs as “non-current” records into its financial aid system. As a result, the University did not identify when those ISIRs were flagged for verification. For 1 (2 percent) of 61 students tested, the University disbursed financial aid prior to completing the verification process for that student. After auditors brought that issue to the University’s attention, it identified 38 additional

students the U.S. Department of Education had selected for verification but for whom the University did not verify information for the 2016-2017 award year. The University then completed its verification process for those 38 students and determined that it had underawarded 3 students a total of \$1,450 and overawarded 11 students a total of \$58,417. The University subsequently canceled or adjusted awards for those students as necessary; as a result, there were no questioned costs.

Recommendations:

The University should:

- Accurately verify all required FAFSA information for students selected for verification, rely on current information when it performs verification, and request updated ISIRs when required.
- Revise verification forms to allow for the source(s) of other untaxed income to be specified, or implement procedures to clarify and document the source(s) of other untaxed income on a student's FAFSA.
- Properly identify all students selected for verification from CPS-pushed ISIRs, and complete its verification process before it disburses funds.

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 revised verification forms to allow for the source(s) of other untaxed income to be specified.*
- *We have implemented an ad hoc report to identify students selected for verification on a subsequent ISIR. The report is reviewed weekly and ISIRs are loaded if necessary.*
- *We have updated tracking group rules to apply selected ISIR status update to prevent further disbursement until student file has been reviewed.*

Implementation Date: August 2017

Responsible Persons: Shannon Crossland and Ben Montecillo

Reference No. 2017-124

Special Tests and Provisions - Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164151; CFDA 84.063, Federal Pell Grant Program, P063P162328; CFDA 84.268, Federal Direct Student Loans, P268K172328; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172328

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

Return of Title IV Calculations

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance 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 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. For purposes of this calculation, “institutional charges” are tuition, fees, room and board (if the student contracts with the institution for the room and board), and other educationally related expenses assessed by the institution (Title 34, CFR, Section 668.22(g)). The institutional charges used in the calculation are always the charges that were assessed to the student for the entire payment period or period of enrollment, as applicable, prior to the student’s withdrawal. Initial charges may only be adjusted by those changes the institution made prior to the student’s withdrawal (for example, for dropping or adding a class or changing enrollment status) (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 5, chapter 1).

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) made errors in Title IV return calculations for 9 (15 percent) of 60 students tested. Specifically, the University:

- Incorrectly calculated institutional charges used to determine the amount that should have been returned for eight students. The University included non-educationally related expenses, omitted educationally related expenses, or omitted adjustments in its calculations. As a result, the amount of Title IV funds the University returned was more than the required return amount for those eight students. Additionally, for one of those students, the University used an incorrect withdrawal date in its return calculation.
- Incorrectly determined the amount of Title IV funds disbursed to one student. As a result, the amount the University determined the student should return was more than the required return amount.

Although the University had processes to monitor its return of Title IV funds calculations, those processes were not designed or operating effectively to ensure that calculations were correct. Because the errors discussed above did not result in the University returning less Title IV funds than required, there were no questioned costs.

Post-withdrawal Disbursement

If the total amount of calculated Title IV grant or loan assistance, or both, that a student earned is greater than the total amount of Title IV grant or loan assistance, or both, that was disbursed to the student, 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(g) (Title 34, CFR, Section 668.22(a)(5)).

For 1 (2 percent) of 60 students tested, the University did not complete a post-withdrawal disbursement as required. After the University became aware that the student had withdrawn, it incorrectly disbursed additional aid awarded to the student, rather than completing a return calculation to determine whether the student was eligible for a post-withdrawal disbursement. The University subsequently corrected that error by completing a return calculation that accounted for the aid that it had disbursed incorrectly; therefore, there were no questioned costs.

Recommendations:

The University should:

- Strengthen its review process for calculations of Title IV funds to be returned, including its review of the variables it uses in those calculations.
- Use accurate student withdrawal dates for its return calculations.
- Complete post-withdrawal disbursements when required.

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 updated our ad hoc reporting with the assistance of Student Business Services to ensure inclusion of all institutional charges. Annual review of report parameters will be a component of the aid year and calendar set up.*
- *Training regarding post withdrawal disbursement regulations and procedures was administered with responsible staff.*
- *We will continue to ensure accurate information is used for return calculations.*

Implementation Date: August 2017

Responsible Persons: Shannon Crossland and Cathy Sarabia

Texas Woman's University

Reference No. 2017-125

Eligibility

Special Tests and Provisions - Institutional Eligibility

Activities Allowed or Unallowed

Cash Management

Reporting

(Prior Audit Issue 2016-123)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164153; CFDA 84.033, Federal Work-Study Program, P033A164153; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162330; CFDA 84.268, Federal Direct Student Loans, P268K172330; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172330; CFDA 93.364, Nursing Student Loans, Award Number Not Applicable; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, T08HP30222-01-00

Statistically valid sample – No and not intended to be a statistically valid sample

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. 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, USC, Chapter 28, Subchapter IV, Section 1087ll).

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 and (2) 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).

Texas Woman's University (University) has established different COA budgets for undergraduate and graduate students based on term enrollment, residency, living status, and number of children. The University also included an allowance for loan fees for students who were awarded loans that require fees to receive them. The University's student financial assistance system, Colleague, budgets students based on students' certification of anticipated enrollment. After the census date for each term, the University re-evaluates students' budgets to determine whether adjustments need to be made for changes in enrollment and residency, and it manually adjusts students' budgets.

For 6 (9 percent) of 67 students tested, the University incorrectly or inconsistently calculated the COAs. Specifically:

- For two students, the University did not use the correct residency to calculate COAs. Those errors occurred because the University did not re-evaluate those students' budgets after the census date for the Fall 2016 term and did not make adjustments for changes in those students' residency. One of those student's COA was overstated

and, as a result, that student was overawarded \$10,346 in Federal Direct Student Loans. After auditors brought that error to the University's attention, it adjusted the student's COA budget and returned funds to the U.S. Department of Education; therefore, there were no questioned costs. The other student's COA was overstated; however, the University did not overaward financial assistance to that student.

- For two students, the University did not follow its process to recalculate COA based on actual enrollment due to manual errors. One of those student's COA was overstated and, as a result, the student was overawarded \$1,570 in Federal Direct Student Loans. After auditors brought that error to the University's attention, it adjusted the student's COA and returned funds to the U.S. Department of Education; therefore, there were no questioned costs. The other student's COA was overstated; however, the University did not overaward financial assistance to that student.
- For two students, the University did not consistently assign the loan fee budget component due to manual errors. The University inappropriately excluded a \$120 loan fee budget for one student who received loans and inappropriately included a \$79 loan fee budget for another student who did not receive loans. The University did not overaward financial assistance to those students as a result of those errors.

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 (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 1, chapter 1).

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 pace at which the student is progressing is calculated 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(a)(5)(ii)).

In addition, the SAP policy should describe how a student's grade point average (GPA) and pace of completion are affected by course incompletes, withdrawals, or repetitions, or transfers of credit from other institutions (Title 34, CFR, Section 668.34(a)(6)).

Institutions are required to have an established procedure for reviewing and addressing additional information that may have an impact on SAP reviews. For example, if institutions review SAP at the end of a Spring term and receive late notification of a grade change for the previous Fall or Spring term, they must recheck SAP using that new information (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 1, chapter 1).

The University's SAP policy did not meet all federal requirements. The University's SAP 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 a student must complete based on the number of hours enrolled in a term, rather than defining pace based on a student's cumulative coursework. 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. Beginning with the Spring 2017 term for SAP evaluations affecting the 2017-2018 award year, the University revised its policy to require students to successfully complete at least 67 percent of their cumulative attempted hours.

In addition, the University's SAP policy did not describe how a student's GPA and pace of completion were affected by course incompletes, withdrawals, or repetitions.

For 4 (6 percent) of 67 students tested, the University did not assign SAP statuses correctly. Specifically:

- For two students, the University did not assign an appropriate SAP status because it did not calculate pace on a cumulative basis as discussed above. Both of those students should have been placed on suspension and would have been required to submit an appeal, and have that appeal approved, to continue receiving financial assistance.

Those two students were ineligible for the \$13,175 in total financial assistance that they received. After auditors brought those errors to the University's attention, it returned funds for those two students to the U.S. Department of Education; therefore, there were no questioned costs.

- For two students, the University did not re-evaluate those students' SAP statuses when it received transfer credit information that affected the SAP reviews it had already performed. Based on that information, both students should have been assigned different SAP statuses. One of those students should have been placed on suspension, and would have been required to submit an appeal and have that appeal approved to continue receiving aid. As a result, that student received \$4,343 in financial assistance for which the student was ineligible. The error did not affect the other student's eligibility for the financial assistance that student received. Those errors occurred because the University did not have a process for re-evaluating SAP when it received new information that may have an effect on SAP reviews. After auditors brought those errors to the University's attention, it recalculated SAP for both students and returned funds for the student who was ineligible to receive aid to the U.S. Department of Education; therefore, there were no questioned costs.

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 (Title 20, USC, Chapter 28, Subchapter IV, Section 1087e(a)). Therefore, only undergraduate students are eligible to receive Subsidized Direct Loans, and graduate students are eligible for only Unsubsidized Direct Loans (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 3, chapter 5).

Based on a review of the full population of student financial assistance recipients, the University awarded \$18,085 in Subsidized Direct Loans to 10 students who were not eligible for that assistance. Those errors occurred because the University did not have adequate controls during the award year to ensure that graduate students did not receive Subsidized Direct Loans. Specifically, the University did not cancel Subsidized Direct Loans for those students when they became graduate students during the award year. 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 Direct Loan Limits

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, *2016-2017 Federal Student Aid Handbook*, volume 3, chapter 5).

The University's controls over Direct Loans did not ensure that manually entered Direct Loan awards complied with federal annual and aggregate limits. The automated packaging process within the University's student financial assistance system, Colleague, had limits to prevent awarding more Direct Loans than a student is eligible to receive. However, if the University manually awarded Direct Loans, Colleague did not prevent students from being awarded more than the federal annual and aggregate limits. The University had the ability to run a report that would identify students whose financial assistance disbursements exceeded their financial need; however, that report would not identify students whose Direct Loan disbursements exceeded federal annual and aggregate limits. Auditors tested 56 students who received Direct Loans and did not identify any students whose awards exceeded federal annual or aggregate limits. However, those control weaknesses increase the risk that students could be awarded more federal financial assistance than they are eligible to receive.

Federal Pell Grant Limits

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). 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, *2016-2017 Federal Student Aid Handbook*, volume 3, chapter 3).

The University did not disburse Federal Pell Grant funds to one student who was eligible to receive those funds. Based on the student's COA, EFC, and enrollment, the student was eligible to receive a maximum of \$2,908 for the award year. The University asserted that it did not disburse those funds because it made a manual error.

Other Compliance Requirements

Although the general controls weaknesses described below apply to activities allowed or unallowed, cash management, and reporting, 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 proper segregation of duties over its change management process. Specifically, for 3 (23 percent) of 13 changes tested, the same individual developed a change and migrated that change to the production environment. The University had a high-level change management policy; however, that policy did not address roles and responsibilities for change control or segregation of duties. The University asserted that it implemented segregation of duties within its change management process in April 2017, after those three changes occurred.

Not maintaining appropriate segregation of duties increases the risk of unauthorized and unintended programming changes being made to critical information systems.

Recommendations:

The University should:

- Consistently follow its process to correctly calculate students' COA budgets.
- Update its SAP policy to ensure that it meets all federal requirements, including a description of how a student's GPA and pace of completion are affected by course incompletes, withdrawals, or repetitions.
- Ensure that it calculates SAP in accordance with its SAP policy by evaluating pace on a cumulative basis.
- Establish a procedure for re-evaluating a student's SAP status when it receives additional information that may have an effect on SAP reviews.
- Award Subsidized Direct Loans only to undergraduate students.
- Establish and implement a process to ensure that manually awarded Direct Loans do not exceed annual and aggregate award limits.
- Award Federal Pell Grants to all eligible students.
- Strengthen controls over its change management process to ensure that (1) only authorized individuals migrate changes to the production environment and (2) those individuals do not migrate their own changes to the production environment.

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:

Eligibility

Regarding Cost of Attendance (COA) findings, the University will conduct additional staff training and ensure that it consistently follows its process to correctly calculate students' COA budgets.

Regarding SAP findings, the University will update its SAP policy, including a description of how a student's GPA and pace of completion are affected by course incompletes, withdrawals, or repetitions, and ensure that it calculates SAP in accordance with its SAP policy by evaluating pace on a cumulative basis. Additionally, a procedure has been established to re-evaluate a student's SAP status when it receives additional information that may have an effect on SAP reviews.

Regarding Federal Direct Loan and Pell Grant findings, additional staff training will be conducted, and modifications will be made to the system eligibility rules used to validate eligibility to ensure that Subsidized Direct Loans and Pell Grants awards are only made to undergraduate students in the correct amounts. Additionally, procedures will be implemented to ensure that annual and aggregate loan limits are not exceeded during manual awarding.

Implementation Date: April 15, 2018

Responsible Person: Governor Jackson

General Controls

Regarding the controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

Reference No. 2017-126

Special Tests and Provisions - Verification

(Prior Audit Issue 2016-124)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164153; CFDA 84.033, Federal Work-Study Program, P033A164153; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162330; CFDA 84.268, Federal Direct Student Loans, P268K172330; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172330

Statistically valid sample – No and not intended to be a statistically valid sample

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) benefits, 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 80, number 123).

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 subsidized student financial assistance awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

For 8 (13 percent) of 60 students tested, Texas Woman’s University (University) did not accurately verify all required items on the FAFSA; therefore, it did not subsequently request updated ISIRs as required. For those eight students, the University did not accurately verify one or more of the following items: income information for tax-filers, number of household members in college, SNAP benefits received, student’s identity, or household resources. Those errors occurred because of manual errors the University made during its verification process. The

University had a process to review completed verifications during the award year; however, that process was not sufficient to ensure that the University performed verification accurately.

When auditors brought those errors to the University's attention, the deadline to submit corrections for the award year had passed. However, the University performed procedures in its student financial assistance system, Colleague, to correct the errors, and it asserted the following:

- For four students, the errors did not result in changes to students' EFCs or financial assistance awards.
- For two students, the errors resulted in a change in EFC and, as a result, the University overawarded a total of \$175 in Pell Grant funds. The University subsequently returned the overawarded amounts to the U.S. Department of Education; therefore, there were no questioned costs.
- For two students, the University did not resolve conflicting information regarding verification of household resources; therefore, auditors could not determine the effect on those students' EFCs and whether there were any related questioned costs.

Not properly verifying FAFSA information can 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 proper segregation of duties over its change management process. Specifically, for 3 (23 percent) of 13 changes tested, the same individual developed a change and migrated that change to the production environment. The University had a high-level change management policy; however, that policy did not address roles and responsibilities for change control or segregation of duties. The University asserted that it implemented segregation of duties within its change management process in April 2017, after those three changes occurred.

Not maintaining appropriate segregation of duties increases the risk of unauthorized and unintended programming changes being made to critical information systems.

Recommendations:

The University should:

- Accurately 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.
- Strengthen controls over its change management process to ensure that (1) only authorized individuals migrate changes to the production environment and (2) those individuals do not migrate their own changes to the production environment.

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:

Verification

The University will conduct additional staff training, modify its procedures to ensure that all required FAFSA information is verified accurately, improve its process for monitoring completed verifications to ensure that it identifies and corrects errors, and requests updated ISIRs when required.

Implementation Date: April 15, 2018
Responsible Person: Governor Jackson

General Controls

Regarding the controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017
Responsible Person: Corina R. Trevino

Reference No. 2017-127

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

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164153; CFDA 84.033, Federal Work-Study Program, P033A164153; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162330; CFDA 84.268, Federal Direct Student Loans, P268K172330; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172330

Statistically valid sample – No and not intended to be a statistically valid sample

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	

Texas Woman’s University (University) did not always perform or document required reviews of transfer students prior to disbursing student financial assistance. Auditors tested three students who transferred to the University during the academic year. For two students, the University asserted that it obtained and reviewed the financial aid history information from NSLDS for the current award year prior to disbursing financial assistance; however, it did not have documentation in those students’ records to show that it performed that review. For the remaining student, the University had documentation to show that it reviewed that student’s financial aid history from NSLDS, but it reviewed that information after it disbursed financial assistance to that student.

The University did not overaward student financial assistance as a result of the issues discussed above. However, not reviewing updated NSLDS information prior to disbursing funds increases the risk that the University could overaward financial assistance to students who had received financial assistance at another institution.

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 proper segregation of duties over its change management process. Specifically, for 3 (23 percent) of 13 changes tested, the same individual developed a change and migrated that change to the production environment. The University had a high-level change management policy; however, that policy did not address roles and responsibilities for change control or segregation of duties. The University asserted that it implemented segregation of duties within its change management process in April 2017, after those three changes occurred.

Not maintaining appropriate segregation of duties increases the risk of unauthorized and unintended programming changes being made to critical information systems.

Recommendations:

The University should:

- Develop and implement a process to review information from NSLDS before it disburses financial assistance to students who transfer to the University during an award year and to document that review.
- Strengthen controls over its change management process to ensure that (1) only authorized individuals migrate changes to the production environment and (2) those individuals do not migrate their own changes to the production environment.

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:

Disbursements To or On Behalf of Students

The University will conduct additional staff training and modify its procedures to ensure that NSLDS information is reviewed prior to the disbursement of financial assistance to students who transfer to the University during an award year and document that review.

Implementation Date: April 15, 2018

Responsible Person: Governor Jackson

General Controls

Regarding the controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

Reference No. 2017-128

Special Tests and Provisions – Return of Title IV Funds

(Prior Audit Issue 2016-125)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164153; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162330; CFDA 84.268, Federal Direct Student Loans, P268K172330; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172330

Statistically valid sample – No and not intended to be a statistically valid sample

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:	\$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. For purposes of this calculation, “institutional charges” are tuition, fees, room and board (if the student contracts with the institution for the room and board), and other educationally related expenses assessed by the institution (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)).

A program is offered in modules if a course or courses in the program do not span the entire length of the payment period or period of enrollment (Title 34, CFR, Section 668.22(l)(6)). For all programs offered in modules, a student is considered to have withdrawn for Title IV purposes if the student ceases attendance at any point prior to completing the payment period or period of enrollment, unless the institution obtains written confirmation from the student at the time of the withdrawal that he or she will attend a module that begins later in the same payment period or period of enrollment (U.S. Department of Education, 2016-2017 *Federal Student Aid Handbook*, volume 5, chapter 1).

For 11 (17 percent) of 63 students tested, Texas Woman’s University (University) did not accurately determine the amount of Title IV funds to return. Specifically:

- For seven students enrolled in modules during the Summer 2016 payment period, the University did not consider the total amount of Title IV aid disbursed, total institutional charges, and/or the total number of days enrolled for the payment period. The University incorrectly performed return calculations for those students based only on the specific module from which the students withdrew and did not consider the students’ enrollment in the overall Summer 2016 payment period. For three of those students, the University also did not accurately determine the students’ withdrawal date. As a result, the University did not accurately determine the amount of Title IV aid to

return. After auditors brought the errors to the University's attention, it recalculated those students' return amounts. For two students, the University initially returned more than required and for five students, the University returned less than required. The University subsequently returned funds for the five students for whom it needed to return additional funds; therefore, there were no questioned costs.

- For one student, the University did not accurately determine the number of days in the Spring 2017 payment period. As a result, the University returned more funds than was required; therefore, there were no questioned costs.
- For two students, the University incorrectly included aid that could have been disbursed in the return calculation. At the time the return calculation was performed, those students did not have signed master promissory notes; however, the University included Federal Direct Student Loans as aid that could have been disbursed in the calculation. For one student, that resulted in a post-withdrawal disbursement instead of a return of funds. For the other student, that resulted in an inaccurate post-withdrawal disbursement amount. After auditors brought those errors to the University's attention, it returned the correct amount of funds; therefore, there were no questioned costs.
- For one student, the University incorrectly omitted that student's Federal Pell Grant award from the return calculation. The student was eligible for a Federal Pell Grant award for the Summer 2016 term; however, the award had not yet been disbursed at the time of the student's withdrawal. Those funds should have been included as aid that could have been disbursed in the return calculation. As a result, the University returned more funds than required; therefore, there were no questioned costs.

Those errors occurred because of manual errors the University made in performing the return calculations; in addition, the University's review of return calculations was not sufficient to identify those errors.

Post-withdrawal Disbursement

If the total amount of calculated Title IV grant or loan assistance, or both, that a student earned is greater than 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 PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these 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)).

The institution must provide within 30 days of the date of the institution's determination that the student withdrew, a written notification to the student, or parent in the case of parent PLUS loan, that (1) requests confirmation of any post-withdrawal disbursement of loan funds that the institution wishes to credit to the student's account; (2) requests confirmation of any post-withdrawal disbursement of loan funds that the student or parent can receive as a direct disbursement, identifying the type and amount of those loan funds and explaining that a student, or parent in the case of a parent PLUS loan, may accept or decline some or all of those funds; (3) explains that a student, or parent in the case of a parent PLUS loan, who does not confirm that a post-withdrawal disbursement of loan funds may be credited to the student's account may not receive any of those loan funds as a direct disbursement unless the institution concurs; (4) explains the obligation of the student, or parent in the case of a parent PLUS loan, to repay any loan funds he or she chooses to have disbursed; and (5) advises the student, or parent in the case of a parent PLUS loan, that no post-withdrawal disbursement of loan funds will be made, unless the institution chooses to make a post-withdrawal disbursement based on a late response, if the student or parent in the case of a parent PLUS loan, does not respond within 14 days of the date that the institution sent the notification, or a later deadline set by the institution (Title 34, CFR, Section 668.22(a)(6)(iii)).

The University did not always follow applicable post-withdrawal disbursement notification requirements. For three students tested, the University made one or more of the following errors: (1) it did not send a written notification containing all applicable requirements in accordance with Title 34, CFR, Section 668.22(a)(6)(iii); (2) it did not send a written notification within 30 days of the date of the University's determination that the student withdrew; or (3) it did not receive confirmation from the student for a post-withdrawal disbursement of loan funds prior to crediting to the student's account.

Those errors occurred because of manual errors the University made subsequent to performing the return calculations for those students. By not sending notifications as required, the University did not properly inform students of their loan repayment obligations and it did not obtain permission to credit loan funds to students' accounts.

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. 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)).

For 7 (11 percent) of 63 students tested, the University did not return Title IV funds within the required time frames or did not determine withdrawal dates in a timely manner. Specifically:

- For five students who withdrew, the University did not return Title IV funds within the required 45-day time frame because it made manual errors. The University returned those funds between 54 and 132 days after it had determined that those students had withdrawn.
- For two students who unofficially withdrew, the University did not determine the students' withdrawal dates within 30 days after the end of the period of enrollment because it made manual errors. The University determined the withdrawal dates 33 and 49 days after the end of the period of enrollment.

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 proper segregation of duties over its change management process. Specifically, for 3 (23 percent) of 13 changes tested, the same individual developed a change and migrated that change to the production environment. The University had a high-level change management policy; however, that policy did not address roles and responsibilities for change control or segregation of duties. The University asserted that it implemented segregation of duties within its change management process in April 2017, after those three changes occurred.

Not maintaining appropriate segregation of duties increases the risk of unauthorized and unintended programming changes being made to critical information systems.

Recommendations:

The University should:

- Accurately determine the amount of Title IV funds to return.
- Determine the correct payment period for courses offered in modules.
- Strengthen its review process for calculations of Title IV funds to be returned.
- Strengthen its controls to ensure that it sends post-withdrawal disbursement notifications as required.
- Strengthen its controls to ensure that it identifies withdrawn students and returns Title IV funds within required time frames.
- Strengthen controls over its change management process to ensure that (1) only authorized individuals migrate changes to the production environment and (2) those individuals do not migrate their own changes to the production environment.

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:

Return of Title IV Funds

The University will conduct additional staff training and modify its procedures to ensure the amount of Title IV funds to be returned is calculated accurately and that the appropriate payment periods are used for courses offered in modules.

The University's review process has been strengthened to ensure that Return of Title IV Funds calculations are conducted accurately and timely. Additionally, post-withdrawal disbursement notifications have been revised to ensure all required information is included.

Implementation Date: April 15, 2018

Responsible Person: Governor Jackson

General Controls

Regarding the controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

Reference No. 2017-129

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issue 2016-126)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162330; and CFDA 84.268, Federal Direct Student Loans, P268K172330

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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 (*NSLDS Enrollment Reporting Guide*, Appendix C and chapter 4, and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)). In instances in which a student completes one academic program and then enrolls in another academic program at the same institution, the institution must report two separate enrollment transactions: one showing the completion of the first program and its effective date and credential level, and the other showing the enrollment in the second program and its effective date (*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, 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).

Texas Woman's 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 2 (3 percent) of 60 students tested, the University did not report the status change to NSLDS or it did not report the effective date of the status change to NSLDS accurately. Specifically:

- For one student, the University did not report the student's graduated status to NSLDS. That student graduated in the Summer 2016 term and enrolled in the Fall 2016 term. The University reported both statuses to NSC; however, NSC reported only the Fall 2016 enrollment status to NSLDS, rather than reporting both the graduated status and subsequent enrollment status as required.
- For one student, the University did not report the effective date of the student's withdrawal to NSLDS accurately. That student unofficially withdrew from the Fall 2016 term and did not enroll in the Spring 2017 term. The University incorrectly reported the last date of the Fall 2016 term as the effective date of the withdrawal, rather than the student's last date of attendance. That error occurred because the University did not have a process to report unofficial withdrawals to NSLDS at that time; however, the University subsequently improved its process in Spring 2017 to report unofficial withdrawals to NSLDS.

Not reporting student status changes 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.

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 proper segregation of duties over its change management process. Specifically, for 3 (23 percent) of 13 changes tested, the same individual developed a change and migrated that change to the production environment. The University had a high-level change management policy; however, that policy did not address roles and responsibilities for change control or segregation of duties. The University asserted that it implemented segregation of duties within its change management process in April 2017, after those three changes occurred.

Not maintaining appropriate segregation of duties increases the risk of unauthorized and unintended programming changes being made to critical information systems.

Recommendations:

The University should:

- Strengthen its controls to ensure that it accurately reports status changes and effective dates to NSLDS.

- Strengthen controls over its change management process to ensure that (1) only authorized individuals migrate changes to the production environment and (2) those individuals do not migrate their own changes to the production environment.

Views of Responsible Officials:

The University acknowledges and agrees with the findings that the withdrawal date used was the last day of the term rather than the last day of the student's respective attendance.

Regarding the graduated status not being reported to NSLDS, the University acknowledges that the status eventually was not reflected in NSLDS, however, the University maintains that it reported within the proper timeframe to the National Student Clearinghouse (NSC) and, in turn, the NSC did report the status to NSLDS. However, because the student re-enrolled immediately after graduation, the new status reflecting the enrollment of the student in the subsequent semester took priority over the graduated status due to the timing of the reporting. These issues were both addressed as a result of the 2016 audit; however, the 2017 audit was reviewing data from the time period during the 2016 audit, so the data did not reflect the subsequent changes and corrections to the processes.

Corrective Action Plan:

Enrollment Reporting

The University implemented significant process enhancements in this area in response to the 2016 audit and prior to the start of the 2017 audit. To address the issue with timing of the graduated status before the student re-enrolls, the University now sends multiple files to NSC to accelerate the reporting of the graduated status of students before subsequent enrollment statuses are reported to NSLDS. Specifically, a graduates-only file is sent to the National Student Clearinghouse prior to the start of the subsequent term that reflects the students on the previous term's enrollment files with the new graduated status. Second, a degree-verify file representing all new graduates, whether enrolled in the previous term or not, is also submitted to the NSC prior to the first enrollment file of the subsequent term. This should ensure the graduated status precedes any subsequent new enrollment status.

For the unofficial withdrawals, the Registrar and the Office of Financial Aid have developed a communication process where Financial Aid will notify the Registrar when it has been confirmed that a student stopped attending at a date prior to the last date of the term. The Registrar then updates the Clearinghouse with the new withdrawal date, and the Clearinghouse updates NSLDS.

Implementation Date: December 2016

Responsible Person: Robert Lothringer

General Controls

Regarding the controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

Reference No. 2017-130

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

(Prior Audit Issue 2016-127)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award number – CFDA 84.268, Federal Direct Student Loans, P268K172330

Statistically valid sample – No and not intended to be a statistically valid sample

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 (*Federal Register*, volume 81, number 64). Each month, the COD System provides institutions with a School Account Statement (SAS) data file, which consists of a cash summary, cash detail, and loan detail records. The institution is required to reconcile those files to its financial records on a monthly basis (Title 34, Code of Federal Regulations (CFR), Section 685.300(b)(5), and U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 4, chapter 6).

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

Texas Woman’s University (University) did not reconcile the required information in its monthly SAS reconciliations. The University had a process for reconciling the student loan detail portion of the SAS file to its financial aid system, Colleague. However, it did not perform reconciliations of the cash summary and cash detail portions as required.

Although auditors did not identify instances of non-compliance in the reporting of student-level detail to the COD System for Federal Direct Student Loans, not preparing reconciliations in accordance with federal requirements increases the risk that inaccurate or incomplete Direct Loan disbursement data could be reported 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, CFR, Section 200.303).

The University did not have proper segregation of duties over its change management process. Specifically, for 3 (23 percent) of 13 changes tested, the same individual developed a change and migrated that change to the production environment. The University had a high-level change management policy; however, that policy did not address roles and responsibilities for change control or segregation of duties. The University asserted that it implemented segregation of duties within its change management process in April 2017, after those three changes occurred.

Not maintaining appropriate segregation of duties increases the risk of unauthorized and unintended programming changes being made to critical information systems.

Recommendations:

The University should:

- Perform the required monthly reconciliations between its financial records and DLSS, including the cash detail and cash summary portions.
- Strengthen controls over its change management process to ensure that (1) only authorized individuals migrate changes to the production environment and (2) those individuals do not migrate their own changes to the production environment.

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:

Borrower Data Transmission and Reconciliation

The University has implemented a Direct Loan reconciliation process between its financial records and DLSS, including the cash detail and cash summary portions, to ensure financial records comply with federal requirements.

Implementation Date: September 1, 2017

Responsible Persons: Carolyn Whitlock and Barbara Newton

General Controls

Regarding the controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

University of Houston

Reference No. 2017-131

Eligibility

Activities Allowed or Unallowed

Special Tests and Provisions – Institutional Eligibility

(Prior Audit Issues 2016-128 and 2015-120)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164166; CFDA 84.033, Federal Work-Study Program, P033A164166; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162333; CFDA 84.268, Federal Direct Student Loans, P268K172333; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172333; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, 1 T08HP30152-01-00

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

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, Code of Federal Regulations (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, *2016-2017 Federal Student Aid Handbook*, volume 1, chapter 1). 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 institution’s SAP policy should describe how a student’s grade point average (GPA) and pace of completion are affected by course incompletes, withdrawals, or repetitions, or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student’s educational program must count as both attempted and completed hours (Title 34, CFR, Section 668.34(a)(6)).

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

The University of Houston (University) did not configure its student financial assistance system in accordance with its satisfactory academic progress (SAP) policy. The University’s policy required the maximum time frame calculation to use 150 percent of a student’s academic program hours. However, the University did not configure its student financial assistance system, PeopleSoft, to properly limit the maximum time frame for 43 (45 percent) of 96 graduate, law school, pharmacy, and optometry programs to 150 percent of the academic program hours.

Auditors did not identify any 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 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.

In addition, the University’s SAP policy did not include all required elements. The University’s SAP policy did not specifically state that credit hours from another institution that were accepted toward a student’s educational program counted as both attempted and completed hours for purposes of determining the pace of a student’s academic progress. Although the University’s SAP policy did not meet federal requirements, auditors determined that the University appropriately configured PeopleSoft to evaluate transfer hours in its SAP calculations.

Enrollment in an Eligible Program

A student is eligible to receive Title IV assistance if the student is a regular student enrolled, or accepted for enrollment, in an eligible program at an eligible institution (Title 34, CFR, Section 668.32(a)).

For 1 (2 percent) of 65 students tested, the University disbursed student financial assistance to an ineligible student. Specifically, the University disbursed \$1,549 in Federal Work-Study funds during Spring 2017 to one student who was not enrolled. The student had initially enrolled for the Spring 2017 term; however, the student withdrew prior to the start of that term and, therefore, was not eligible for any student financial assistance. That error occurred because the University did not have controls to prevent the disbursement of Federal Work-Study funds for students who are not enrolled. Additionally, the student was also ineligible for financial assistance because the student received a SAP suspension for the Spring 2017 term. According to the University's SAP policy, a student is not eligible for financial assistance while under suspension. After auditors brought that issue to its attention, the University reduced the student's Federal Work-Study award; therefore, there were no questioned costs.

Federal Pell Grant

When awarding Federal Pell Grant assistance to students, for each payment period, an institution may award a Federal Pell Grant to an eligible student only after it determines that the student is enrolled in an eligible program as an undergraduate student (Title 34, CFR, Section 690.75(a)). Institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, CFR, Section 690.62). Those schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, expected family contribution, and cost of attendance. There are separate schedules for three-quarter-time, half-time, and less-than-half-time students (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 3, chapter 3, and Title 34, CFR, Section 690.63(b)).

For 1 (3 percent) of 36 students tested who received a Federal Pell Grant, the University did not award the correct amount of Federal Pell Grant assistance. The University awarded the student \$2,908 in Federal Pell Grant assistance for the Spring term; however, the student was eligible to receive only \$2,181. The University disbursed a Federal Pell Grant to the student for the Spring term in the amount that a student enrolled full-time would be eligible to receive; however, the student was enrolled only three-quarter-time for the Spring term. After auditors brought the error to the University's attention, it corrected the student's awards and returned \$727 in Federal Pell Grant funds to the U.S. Department of Education; therefore, there were no questioned costs.

Federal Supplemental Education Opportunity Grants (FSEOG)

In selecting among eligible students for FSEOG awards in each award year, an institution must select students with the lowest expected family contributions who will also receive Federal Pell Grants in that year. If the institution has FSEOG funds remaining after giving FSEOG awards to all the Federal Pell Grant recipients at the institution, the institution must award the remaining FSEOG funds to eligible students with the lowest expected family contributions who will 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 awarded a total of \$5,000 to 3 students who did not also receive Federal Pell Grants. The University initially awarded those students Federal Pell Grant funds, but it canceled those awards prior to disbursement because those students were ineligible for the Federal Pell Grant funds. However, the University did not identify that cancellation and awarded the FSEOG funds in error. The University conducted a self-review process during this audit and canceled the FSEOG distributions to those students; therefore, there were no questioned costs.

Recommendations:

The University should:

- Configure PeopleSoft to align with its SAP policy by defining a maximum time frame based on 150 percent of the educational program hours for master- and doctoral-level students.
- Include all required elements in its SAP policy.
- Establish and implement controls to prevent disbursement of student financial assistance to students who are under a SAP suspension.
- Establish and implement controls to prevent disbursement of Federal Work-Study funds to students who are not enrolled.
- Award students Federal Pell Grant assistance based on actual enrollment.

- Award FSEOG assistance only to eligible students.

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:

Recommendation: Configure PeopleSoft to align with its Satisfactory Academic Progress policy by defining a maximum time frame based on 150 percent of the educational program hours for master- and doctoral-level students.

In order to ensure compliance and accuracy with SAP requirements, we have changed our procedures to annually compare our satisfactory academic progress setup values in PeopleSoft with those values provided by Institutional Reporting.

Implementation Date: November 2017

Responsible Person: Scott Moore

Recommendation: Include all required elements in its SAP policy.

We have updated our Satisfactory Academic Progress policy to include all required elements.

Implementation Date: November 2017

Responsible Person: Scott Moore

Recommendation: Establish and implement controls to prevent disbursement of student financial assistance to students who are under a SAP suspension.

Systematic measures exist to prevent the disbursement of student financial assistance to students who are under a SAP suspension. As a result of this recommendation, a query has been created that looks for students working through the various work-study programs who are under a SAP suspension. This query is run prior to the start of each semester to ensure that students on SAP suspension have their work-study eligibility appropriately canceled.

Implementation Date: November 2017

Responsible Person: Lear Hickman

Recommendation: Establish and implement controls to prevent disbursement of Federal Work-Study funds to students who are not enrolled.

We have updated our query to identify FWS recipients who have withdrawn or are not enrolled in at least six credit hours. Additionally, the timetable for running that query has been updated; it is run bi-weekly upon completion of the payroll process to ensure additional accuracy.

Implementation Date: October 2017

Responsible Person: Lear Hickman

Recommendation: Award students Federal Pell Grant assistance based on actual enrollment.

The disbursement schedule has been adjusted by adding an extra day between the Official Recording Date and the beginning of the disbursement process to improve the accuracy of all Pell Grant disbursements. In addition, changes have been made to the query to identify potentially-erroneous disbursements for review by financial aid staff, and additional holds have been created to prevent disbursement until that review has occurred.

Implementation Date: August 2017

Responsible Persons: Frank Gomez, Lety Gallegos, and Scott Moore

Recommendation: Award FSEOG assistance only to eligible students.

The process of monitoring and reconciling FSEOG has been revised. A report is run to identify potentially-ineligible FSEOG awards prior to running the disbursement process each semester.

Implementation Date: August 2017

Responsible Person: Scott Moore

Reference No. 2017-132

Special Tests and Provisions – Verification

(Prior Audit Issues 2016-129, 2015-121, and 2014-139)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164166; CFDA 84.033, Federal Work-Study Program, P033A164166; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162333; CFDA 84.268, Federal Direct Student Loans, P268K172333; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172333

Statistically valid sample – No and not intended to be a statistically valid sample

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 benefits, 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 80, number 123).

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 subsidized student financial assistance awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

Household size for a dependent student includes (1) the student; (2) the student’s parents; (3) the student’s siblings and children, if they will receive more than half their support from the student’s parent(s) for the entire award year; and (4) other persons who live with and receive more than half their support from the student’s parent(s) and will receive more than half support for the entire award year. The number in college always includes (1) the student and (2) those in the household who are or will be enrolled at least half time during the award year in a degree or certificate program at a Title IV-eligible school and who can reasonably be expected to receive aid from the family for their education (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook, Application and Verification Guide*, chapter 2). Acceptable documentation for verifying household size and the number of household members who

are in college includes a statement signed by the applicant, and if the applicant is a dependent student, by one of the applicant's parents, that lists the name and age of each household member, the relationship of that household member to the applicant, and the name of the educational institution for each household member who is or will be attending at least half-time in a program that leads to a degree or certificate (Title 34, CFR, Sections 668.57(b) and (c), and *Federal Register*, volume 80, number 123).

For 3 (5 percent) of 62 students tested, the University of Houston (University) did not accurately verify certain required items on the FAFSA or made unsupported changes to FAFSA items. Specifically:

- The University did not accurately verify adjusted gross income for one student who submitted an amended tax return. That error occurred because of a manual error the University made in the verification process and because the University did not have an effective monitoring process during the award year to detect that error.
- The University inappropriately reduced the number of household members and number in college for two students. Each of those students certified the number of household members and the number in college on the verification forms they submitted to the University, and the University removed siblings from the household size and number in college because of the siblings' age. The University asserted that its practice was to remove household members who were in college and older than age 24; however, the University did not request information from the students to show that the household members it removed did not receive at least half of their support from the family.

After auditors brought those errors to the University's attention, it did not make corrections to those students' ISIRs. Therefore, auditors were unable to determine whether there were any questioned costs.

Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

Recommendations:

The University should:

- Accurately verify required FAFSA information for students selected for verification and make changes based only on the supporting documentation that students provide.
- Establish and implement an effective monitoring process for verification.

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:

Recommendation: Accurately verify all required FAFSA information for students selected for verification and make changes based only on the supporting documentation that students provide.

The policy and procedure manual for verification has been updated to include guidance on the treatment of household size for all dependent students. The information is available on the website as a guide for students to follow during the verification process, as well.

Implementation Date: December 2017

Responsible Persons: Frank Gomez and Scott Moore

Recommendation: Establish and implement an effective monitoring process for verification.

Verification files will be randomly pulled and audited internally by senior staff each month to improve accuracy and determine needed training opportunities. Errors and issues will be dealt with as soon as they are identified.

Implementation Date: March 2018

Responsible Person: Frank Gomez

Reference No. 2017-133

Special Tests and Provisions – Return of Title IV Funds

(Prior Audit Issues 2016-130 and 2015-123)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164166; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162333; CFDA 84.268, Federal Direct Student Loans, P268K172333; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172333

Statistically valid sample – No and not intended to be a statistically valid sample

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 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)).

Post-withdrawal Disbursement

If the total amount of calculated Title IV grant or loan assistance, or both, that a student earned is greater than the total amount of Title IV grant or loan assistance, or both, that was disbursed to the student, 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, Section 668.164(j) (Title 34, CFR, Section 668.22(a)(5)). The institution must disburse directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student’s account. The institution must make the disbursement as soon as possible, but no later than 45 days after the date of the institution’s determination that the student withdrew. The institution must make a direct disbursement of any loan funds that make up the post-withdrawal disbursement only after obtaining the student’s, or parent’s in the case of a parent PLUS loan, confirmation that the student or parent still wishes to have the loan funds disbursed (Title 34, CFR, Section 668.22(a)(6)).

For 6 (9 percent) of 67 students tested, the University of Houston (University) incorrectly disbursed Title IV assistance for a term in which the students withdrew, rather than completing a return calculation to determine whether each student was eligible for a post-withdrawal disbursement. Specifically, those students had not received Title IV assistance at the time they withdrew because they had not completed the University’s verification requirements; therefore, the University did not identify those students’ withdrawal dates or perform return calculations. When the students completed the verification requirements, the University incorrectly disbursed Title IV assistance to those students for the term in which they withdrew, rather than completing a return calculation to determine whether each student was eligible for a post-withdrawal disbursement. The University did not have controls to (1) identify those students and (2) prevent its student financial assistance system from disbursing Title IV assistance to withdrawn students. After auditors brought those errors to the University’s attention, it determined that those

students either earned all Title IV assistance for the term or that the University returned Title IV funds as required; therefore, there were no questioned costs.

For 5 (7 percent) of 67 students tested, the University did not complete a post-withdrawal disbursement as required or did not complete post-withdrawal disbursements in a timely manner. Specifically:

- For one student, the University correctly calculated the amount of assistance earned and determined that the student was eligible for a post-withdrawal disbursement. However, the University did not offer or make the post-withdrawal disbursement to the student because of a manual error it made when processing the return.
- For one student, the University made errors in its return calculation and did not identify that the student was eligible for a post-withdrawal disbursement. The University did not offer or make the post-withdrawal disbursement to the student.
- For three students, the University did not make post-withdrawal disbursements in a timely manner. It made those disbursements between 72 and 84 days after the University determined the students withdrew.

The University did not detect those errors because it did not have a formal review process or monitoring controls to ensure the accuracy of its return of Title IV funds calculations. The University asserted that it established its post-withdrawal disbursement process after conducting a full review of its return of Title IV funds process in January 2017.

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. 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 payment period or period of enrollment (Title 34, CFR, Section 668.22(j)).

For 5 (7 percent) of 67 students tested, the University did not return funds within the required time frame. Specifically, the University did not determine those students' dates of withdrawal until 78 days after the end of the payment period. The University asserted that occurred because of an error in the query it used to identify students with all failing grades. The University corrected that query 78 days after the end of the payment period and identified those students at that time.

Not making returns within required time frames reduces the information available to the U.S. Department of Education for its program management.

Recommendations:

The University should:

- Accurately determine students' withdrawal dates and calculate the amount of Title IV funds earned and to be returned.
- Develop and implement controls to prevent its student financial assistance system from disbursing Title IV assistance to withdrawn students prior to performing a return of Title IV funds calculation.
- Complete post-withdrawal disbursements when required.
- Return Title IV funds within required time frames.
- Strengthen its monitoring process to ensure the accuracy of its return of Title IV funds calculations.

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:

Recommendation: Accurately determine students' withdrawal dates and calculate the amount of Title IV funds earned to be returned.

Processes and procedures for the return of Title IV funds have been revised to more accurately determine and calculate students' withdrawal dates. In addition, the director of Scholarships and Financial Aid IT has been working closely with the Office of the University Registrar on the academic calendar to ensure that all return to Title IV funds processing is accurate, timely and compliant.

Implementation Date: December 2017

Responsible Persons: Frank Gomez and Lety Gallegos

Recommendation: Develop and implement controls to prevent its student financial assistance system from disbursing Title IV assistance to withdrawn students prior to performing a return of Title IV funds calculation.

SFA has now implemented a system by which holds are placed on all students who receive all "no credit" grades. This process will prevent disbursement of funds to any student who has not earned a passing grade, until SFA can make a determination on the student's eligibility for funds after the term has ended.

Implementation Date: December 2017

Responsible Persons: Frank Gomez and Lety Gallegos

Recommendation: Complete post-withdrawal disbursements when required.

Staff members who process return of Title IV funds calculations have been trained to carefully identify students who are eligible for post-withdrawal disbursements, and emails are sent to students informing them of their eligibility, as well as communicating the next steps in the process.

Implementation Date: May 2017

Responsible Person: Frank Gomez

Recommendation: Return Title IV funds within required time frames.

The query used to identify students with all "no credit" grades was revised to more accurately identify students who have not earned a passing grade. Accurately identifying these students at the beginning of the return of Title IV process will result in funds being returned within the required time frames.

Implementation Date: December 2017

Responsible Persons: Frank Gomez and Lety Gallegos

Recommendation: Strengthen its monitoring process to ensure the accuracy of its return of Title IV funds calculations.

The return of Title IV calculation process has been improved by adding secondary reviews of all calculations, in addition to random review by the assistant director of federal processing.

Implementation Date: December 2017

Responsible Person: Frank Gomez

Reference No. 2017-134

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2016-131, 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, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162333; and CFDA 84.268, Federal Direct Student Loans, P268K172333

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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 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 61 students tested who had a status change, the University did not always report effective dates accurately or did not report the status change in a timely manner to NSLDS. Specifically:

- For one student, the University incorrectly reported the effective date of the status change as the date that the University certified the status change to NSC instead of the date that the student dropped below full-time time enrollment.
- For one student, the University incorrectly reported the midpoint of the term as the effective date of the student’s withdrawal instead of using the student’s last day of academically related activity.
- For one student, the University initially reported the effective date for the student’s withdrawal as the last day of academically related activity, which was accurate. However, a subsequent submission to NSLDS overwrote that effective date with an inaccurate effective date (the final day of the term).
- For one student, the University reported the enrollment status change to NSC within the required time frame. However, NSC did not report that student’s status enrollment change to NSLDS until 76 days after the effective date of the enrollment status change.

The University did not have a process to ensure that the effective dates of enrollment status changes were reported accurately to NSLDS.

Not reporting the effective date of enrollment status changes accurately and not reporting status changes in a timely manner could affect the determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, and repayment schedules, as well as the federal government’s payment of interest subsidies.

Recommendation:

The University should accurately report the effective dates for all enrollment status changes and report enrollment status changes to NSLDS in a timely manner.

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:

Recommendation: The University should accurately report the effective dates for all enrollment status changes and report enrollment status changes to NSLDS in a timely manner.

The Offices of the University Registrar and Scholarships and Financial Aid have established a regularly-scheduled meeting at the end of every term to review all unofficial withdrawals to help ensure that accurate withdrawal dates are reported to NSLDS in a timely manner.

Implementation Date: January 2018

Responsible Person: Debbie Henry

University of North Texas

Reference No. 2017-135

Special Tests and Provisions – Verification

Activities Allowed or Unallowed

Cash Management

Eligibility

Reporting

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

Special Tests and Provisions – Enrollment Reporting

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

Special Tests and Provisions – Institutional Eligibility

(Prior Audit Issue 2016-132)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164085; CFDA 84.033, Federal Work-Study Program, P033A164085; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162293; CFDA 84.268, Federal Direct Student Loans, P268K172293; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172293

Statistically valid sample – No and not intended to be a statistically valid sample

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 benefits, 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 80, number 123).

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 subsidized student financial assistance awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

Household size for a dependent student includes (1) the student; (2) the student’s parents; (3) the student’s siblings and children, if they will receive more than half their support from the student’s parent(s) for the entire award year; and (4) other persons who live with and receive more than half their support from the student’s parent(s) and will receive more than half support for the entire award year. Household size for an independent student includes (1) the student; (2) his or her spouse; (3) the student’s children if they will receive more than half their support from the student for the entire award year; and (4) other persons who live with and receive more than half their support from the student and will receive more than half support for the entire award year. Number in college always includes (1) the student and (2) those in the household size who are or will be enrolled at least half time during the award year in a degree or certificate program at a Title IV-eligible school and who can reasonably be expected to receive aid from the family for their education (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook, Application and Verification Guide*, chapter 2). Acceptable documentation for verifying household size and the number of household members who are in college includes a statement signed by the applicant, and if the applicant is a dependent student, by one of the applicant’s parents, that lists the name and age of each household member, the relationship of that household member to the applicant, and the name of the educational institution for each household member who is or will be attending at least half-time in a program that leads to a degree or certificate (Title 34, CFR, Sections 668.57(b) and (c), and *Federal Register*, volume 80, number 123).

For 5 (8 percent) of 61 students tested, the University of North Texas (University) did not accurately verify certain required items on the students’ FAFSAs or made unsupported changes to FAFSA items. Specifically:

- For one student, the University inappropriately reduced the number of household members in college because it made a manual error during the verification process. That error resulted in the student's EFC being overstated, which resulted in the University underawarding the student a total of \$300 in Federal Pell Grant funds. When auditors brought that error to the University's attention, it corrected the student's ISIR and adjusted the student's award.
- For four students, the University inappropriately reduced the household size, number of household members in college, or both. Those students certified the household size and number of household members in college on the verification form they submitted to the University; however, the University removed family member(s) from the household size and/or number in college without obtaining additional support from the students. After auditors brought those errors to the University's attention, it did not make corrections to those students' ISIRs. Therefore, auditors were unable to determine whether there were any questioned costs.

Not properly verifying FAFSA information could result in overawarding or underawarding financial assistance.

Other Compliance Requirements

Although the general controls weaknesses described below apply to activities allowed or unallowed, cash management, eligibility, reporting, special tests and provisions - disbursements to or on behalf of students, special tests and provisions - enrollment reporting, special tests and provisions - borrower data transmission and reconciliation (direct loan), and special tests and provisions - institutional eligibility, auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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. An excessive number of employees had high-level access rights to that system. The financial assistance information system security guide recommends that only a handful of users—or just one user—have that level of access. Allowing excessive access increases the risk of inappropriate changes to systems and data.

The University also did not have adequate logical access controls for its financial assistance information system. To minimize the risks associated with public disclosure, auditors provided the details about that issue and a recommendation separately to the University in writing.

Pursuant to Standard 7.41 of the U.S. Government Accountability Office's *Government Auditing Standards*, the findings identified in the limited-use report discussed above were deemed to present potential risks to public safety and the security of critical network infrastructure and private or confidential data. As such, the detailed findings and recommendation are considered confidential and will be excluded from this publicly available report. Under the provisions of Texas Government Code, Section 552.139, the confidential findings in this report are exempt from the requirements of the Public Information Act.

Recommendations:

The University should:

- Accurately verify required FAFSA information for applicants selected for verification and make changes based only on the supporting documentation that students provide.
- Limit administrative access to its financial assistance information system to only individuals with a specific business need for that access.

Views of Responsible Officials:

Verification of Applications

Management acknowledges the findings and recommendations. The University will work to develop and implement the corrective action plan.

General Controls

The University acknowledges the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective actions.

Corrective Action Plan:

Verification of Applications

Management reviewed the recommendations and updated its verification procedures.

Implementation Date: August 2017

Responsible Persons: Dena Guzman-Torres and Lacey Thompson

General Controls

The University acknowledged that there was more than one individual who had access at the time of this audit.

Since notification by the auditors of their concerns regarding this item, the following actions have been taken:

- Reduced the number of individuals within the information system that have access.
- Increased restrictions to financial assistance information.
- Additional remediation efforts are in progress to support a more restricted environment.

Implementation Date: December 2017

Responsible Person: Dorothy Flores

Reference No. 2017-136

Special Tests and Provisions - Return of Title IV Funds

(Prior Audit Issue 2016-133)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164085; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162293; CFDA 84.268, Federal Direct Student Loans, P268K172293; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172293; and CFDA 84.408, Postsecondary Education Scholarships For Veteran’s Dependents, P408A162293

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

Return of Title IV Calculations

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance 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 of the institution's determination that the student withdrew (Title 34, CFR, Section 668.22(e)).

For all programs offered in modules, a student is considered to have withdrawn for Title IV purposes if the student ceases attendance at any point prior to completing the payment period or period of enrollment, unless the institution obtains written confirmation from the student at the time of the withdrawal that he or she will attend a module that begins later in the same payment period or period of enrollment (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 5, chapter 1).

The University of North Texas (University) did not perform return calculations or return Title IV funds for 2 (3 percent) of 70 students tested because it did not consider students who withdrew from modular programs to be withdrawn. After auditors brought the errors to the University's attention, it performed the return calculations for those two students and returned the required amount of \$3,072; therefore, there were no questioned costs.

In addition, the University did not return the correct amount of funds for 1 (1 percent) of 70 students tested. Specifically, the University returned \$21 less than required. After auditors brought the error to the University's attention, it returned the required amount; therefore, there were no questioned costs.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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. An excessive number of employees had high-level access rights to that system. The financial assistance information system security guide recommends that only a handful of users—or just one user—have that level of access. Allowing excessive access increases the risk of inappropriate changes to systems and data.

The University also did not have adequate logical access controls for its financial assistance information system. To minimize the risks associated with public disclosure, auditors provided the details about that issue and a recommendation separately to the University in writing.

Pursuant to Standard 7.41 of the U.S. Government Accountability Office's *Government Auditing Standards*, the findings identified in the limited-use report discussed above were deemed to present potential risks to public safety and the security of critical network infrastructure and private or confidential data. As such, the detailed findings and recommendation are considered confidential and will be excluded from this publicly available report. Under the provisions of Texas Government Code, Section 552.139, the confidential findings in this report are exempt from the requirements of the Public Information Act.

Recommendations:

The University should:

- Develop, document, and implement a process to identify students who withdraw from modular programs and perform Title IV return calculations for those students.
- Return accurate amounts of Title IV funds.
- Limit administrative access to its financial assistance information system to only individuals with a specific business need for that access.

Views of Responsible Officials:

Return of Title IV Calculations

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.

General Controls

The University acknowledges the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective actions.

Corrective Action Plan:

Return of Title IV Calculations

Management updated its procedures to identify students who withdraw from modular programs and ensure calculations for Return of Title IV funds are performed. Management reviewed the manual errors with employees and made changes to improve its review, calculating and monitoring process of Return of Title IV funds.

Implementation Date: August 2017

Responsible Persons: Melissa Boyer and Lacey Thompson

General Controls

The University acknowledged that there was more than one individual who had access at the time of this audit. Since notification by the auditors of their concerns regarding this item, the following actions have been taken:

- Reduced the number of individuals within the information system that have access.
- Increased restrictions to financial assistance information.
- Additional remediation efforts are in progress to support a more restricted environment.

Implementation Date: December 2017

Responsible Person: Dorothy Flores

University of Texas at Arlington

Reference No. 2017-137

Cash Management

Reporting

Activities Allowed or Unallowed

Eligibility

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

Special Tests and Provisions – Institutional Eligibility

(Prior Audit Issue 2016-135)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164172; CFDA 84.033, Federal Work-Study Program, P033A164172; CFDA 84.063, Federal Pell Grant Program, P063P162335; CFDA 84.268, Federal Direct Student Loans, P268K172335; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172335

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

Cash Management

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
U.S. 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 1 (7 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 a \$1,862 refund for the Teacher Education Assistance for College and Higher Education Grants (TEACH) program in its calculation for that drawdown, which resulted in it drawing \$465.50 in excess TEACH program funds. 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. That error occurred because the University did not adjust its drawdown calculation based on transactions that occurred between the reconciliation date and the drawdown date; therefore, the drawdown amount was not net of the refund discussed above. The potential interest obligation resulting from that error was less than the threshold for remitting interest to the federal government; therefore, there were no 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.

The University also did not have adequate cash management policies and procedures, and it did not have an adequate review process prior to making drawdown requests. The University had documented procedures for how to calculate the amount to draw down; however, those procedures were not sufficient to ensure that the University included all expenditures as of the draw date and that the draw amount was net of any refunds. The University’s review process would not detect the error identified above because the University had inadequate supporting documentation for the draw amount.

Financial Reporting

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 error discussed above, the University did not accurately report financial information.

Other Compliance Requirements

Although the general control weaknesses described below apply to activities allowed or unallowed, eligibility, special tests and provisions – borrower data transmission and reconciliation (direct loan), and special tests and provisions – institutional eligibility, auditors identified no compliance issues regarding those compliance areas.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 user access at the network and server levels. Specifically:

- Two student interns had administrative access to the network, and the University asserted that those students needed that access to test new systems. Although the University asserted that it restricted these student interns' access to their work hours, the University provided that level of access only to those two student interns and the department director.
- Six former employees had access to two of the University's servers, and one former employee had access to another server. In addition, eight current employees had inappropriate access to one of the servers, and another current employee had duplicate accounts on two servers.

The University did not consistently conduct periodic user access reviews for network accounts, and the periodic user access review it performed on its servers was not effective.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems.

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 refunds in its drawdown calculations.
- Strengthen its policies and procedures to ensure compliance with cash management requirements.
- Appropriately limit network and server access to current employees and ensure that access is appropriate based on job responsibilities.

Views of Responsible Officials:

Cash Management

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has worked to develop and implement a corrective action to ensure compliance.

General Controls

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

Cash Management

The University has revised its policies and procedures to better ensure compliance with cash management requirements by strengthening controls, and adding provisions for monitoring and including refunds in its draw down calculations prior to completing a draw.

Implementation Date: November 22, 2017

Responsible Person: Stephanie Scott

General Controls

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland

Reference No. 2017-138

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164172; CFDA 84.033, Federal Work-Study Program, P033A164172; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162335; CFDA 84.268, Federal Direct Student Loans, P268K172335; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172335

Statistically valid sample – No and not intended to be a statistically valid sample

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 benefits, 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 80, number 123).

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

Household size for a dependent student includes (1) the student; (2) the student’s parents; (3) the student’s siblings and children, if they will receive more than half their support from the student’s parent(s) for the entire award year; and (4) other persons who live with and receive more than half their support from the student’s parent(s) and will receive more than half support for the entire award year. The number in college always includes (1) the student and (2) those in the household who are or will be enrolled at least half time during the award year in a degree or certificate program at a Title IV-eligible school and who can reasonably be expected to receive aid from the family for their education (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook, Application and Verification Guide*, chapter 2). Acceptable documentation for verifying household size and the number of household members who are in college includes a statement signed by the applicant, and if the applicant is a dependent student, by one of the applicant’s parents, that lists the name and age of each household member, the relationship of that household member to the applicant, and the name of the educational institution for each household member who is or will be

attending at least half-time in a program that leads to a degree or certificate (Title 34, CFR, Sections 668.57(b) and (c), and *Federal Register*, volume 80, number 123).

For 6 (10 percent) of 60 students tested, the University of Texas at Arlington (University) made unsupported changes to FAFSA items. For those six students, the University made inappropriate changes to one or more of the following items during the verification process: U.S. income tax paid, untaxed income, household size, and number of household members who are in college. Specifically:

- For one student, the income tax paid was reported correctly on the student's application; however, the University incorrectly updated that amount using incorrect line items from the student's tax return transcript.
- For two students, the University inappropriately added \$8,410 in other untaxed income to each student's application. The University asserted that if students indicated that they lived with their parents, it used professional judgment to add \$8,410 to the students' untaxed income; however, it did not request documentation from the students to support that amount. Additionally, one of those students reported \$1,300 in child support received annually, and the University inappropriately multiplied that student's child support received amount by 12, which increased that amount to \$15,600.
- For two students, the University inappropriately removed family members from the household size and/or number of household members in college. Those two students certified the household size and number in college on the verification form they submitted to the University. For one student, the University removed a family member from the household size and/or number in college without obtaining additional support from the student. For the other student, the University followed up with the student to request additional information, and the student responded by stating that a sibling received more than half of the sibling's support from the parents; however, the University removed the sibling from the household size.
- For one student, the University inappropriately added \$8,410 as other untaxed income to the student's application (as described above), and it also removed a family member from the household size and/or number in college without obtaining additional support from the student. The student certified the household size and number in college on the verification form the student submitted to the University, but the University removed a family member from the household size and number in college without obtaining additional support from the student.

After auditors brought those errors to the University's attention, it made corrections to those students' Institutional Student Information Records (ISIRs) and adjusted those students' awards as necessary; therefore, there were no questioned costs.

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 awards 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 user access at the network and server levels. Specifically:

- Two student interns had administrative access to the network, and the University asserted that those students needed that access to test new systems. Although the University asserted that it restricted these student interns' access to their work hours, the University provided that level of access only to those two student interns and the department director.
- Six former employees had access to two of the University's servers, and one former employee had access to another server. In addition, eight current employees had inappropriate access to one of the servers, and another current employee had duplicate accounts on two servers.

The University did not consistently conduct periodic user access reviews for network accounts, and the periodic user access review it performed on its servers was not effective.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems.

Recommendations:

The University should:

- Accurately verify required FAFSA information for applicants selected for verification and make changes based only on the supporting documentation that students provide.
- Appropriately limit network and server access to current employees and ensure that access is appropriate based on job responsibilities.

Views of Responsible Officials:

Verification

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has worked to develop and implement corrective actions to ensure compliance.

General Controls

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

Verification

The University completed 100% review for 2017-2018 to ensure untaxed income for independent students living at home did not include an \$8,410 inclusion without a Professional Judgement as required. Staff has completed a policy and procedure review to minimize manual processing errors.

Implementation Date: October 31, 2017

Responsible Person: Lyn Kinyon

General Controls

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland

Reference No. 2017-139

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

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164172; CFDA 84.033, Federal Work-Study Program, P033A164172; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162335; CFDA 84.268, Federal Direct Student Loans, P268K172335; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172335

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

Disbursements

The earliest an institution may disburse Title IV Higher Education Act program funds to an eligible student or parent is 10 days before the first day of classes of a payment period (Title 34, Code of Federal Regulations (CFR), Section 668.164(i)).

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

If a student is scheduled to begin class in a module of a term-based program that starts after the first day of classes for the semester, an institution may not make the initial disbursement until 10 days before the start of the first module in which the student is scheduled to begin attendance (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 3, chapter 1).

The University of Texas at Arlington (University) did not consistently disburse student financial assistance to students in accordance with required time frames. Specifically, for 7 (11 percent) of 66 students tested, the University disbursed student financial assistance more than 10 days before the start of the first module in which the students were scheduled to begin attendance. The University had a manual control that prevented disbursements of student financial assistance more than 10 days before the start of a traditional term, which is defined by the academic calendar. However, it did not have a control to prevent early disbursement to students enrolled in modules.

Auditors did not identify students to whom the University overawarded financial assistance as a result of that issue; however, making disbursements early to students enrolled in modules increases the risk that the University could award financial assistance to students who do not attend class for the term.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 user access at the network and server levels. Specifically:

- Two student interns had administrative access to the network, and the University asserted that those students needed that access to test new systems. Although the University asserted that it restricted these student interns’ access to their work hours, the University provided that level of access only to those two student interns and the department director.
- Six former employees had access to two of the University’s servers, and one former employee had access to another server. In addition, eight current employees had inappropriate access to one of the servers, and another current employee had duplicate accounts on two servers.

The University did not consistently conduct periodic user access reviews for network accounts, and the periodic user access review it performed on its servers was not effective.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems.

Recommendations:

The University should:

- Develop and implement controls to disburse financial assistance to students enrolled in modules within required time frames.
- Appropriately limit network and server access to current employees and ensure that access is appropriate based on job responsibilities.

Views of Responsible Officials:

Disbursements To or On Behalf of Students

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has worked to develop and implement corrective actions to ensure compliance.

General Controls

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

Disbursements To or On Behalf of Students

The University enhanced its student management system to delay disbursements to students 10 days before the start of a module as required effective spring 2018.

Implementation Date: January 1, 2018

Responsible Person: Karen Krause

General Controls

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland

Reference No. 2017-140

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164172; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162335; CFDA 84.268, Federal Direct Student Loans, P268K172335; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172335

Statistically valid sample – No and not intended to be a statistically valid sample

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: Unknown
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)).

For an institution that is not required to take attendance, the 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 earlier of the (1) payment period or period of enrollment, (2) academic year in which the student withdrew, or (3) educational program from which the student withdrew (Title 34, CFR, Section 668.22(j)(2)). An institution may use as a student’s withdrawal date the student’s last date of attendance at an academically related activity provided that the institution documents that the activity is academically related and documents the student’s attendance at the activity (Title 34, CFR, Section 668.22(c)(3)).

If a student does not begin attendance in a payment period or period of enrollment, the institution must return all Title IV program funds that were credited to the student’s account at the institution or disbursed directly to the student for that payment period or period of enrollment (Title 34, CFR, Section 668.21(a)).

The University of Texas at Arlington (University) did not always accurately determine the amount of Title IV funds to return or return the correct amount. For 6 (10 percent) of 61 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 three students, the University did not consider the total amount of Title IV grant assistance disbursed for the payment period. Those errors occurred because the University adjusted the students’ financial assistance awards

based on changes in enrollment status unrelated to the students' withdrawals. Subsequently, the University did not include the full amount that the students were eligible to receive in its return calculations. That resulted in the University not performing the return calculations accurately and underawarding Title IV grant assistance to all three students. Additionally, for one of those students, the error resulted in the University returning less Title IV loan assistance than was required.

- For two students enrolled in module courses, the University did not correctly determine the number of days in the payment period. Those errors occurred because the University omitted the number of days associated with one module course from the total number of days that the students were scheduled to complete. As a result, the University did not accurately determine the percentage of period completed and amount of Title IV funds to return.
- For one student, the University appropriately calculated the amount of Title IV funds to return; however, it returned less than was required. That occurred because of a manual error the University made when it returned funds.

After auditors brought the above errors to the University's attention, it adjusted students' awards and returned funds to the U.S. Department of Education as necessary; therefore, there were no questioned costs.

In addition, the University did not always identify students who never attended or unofficially withdrew from all courses for a term. The University used a report to identify students with no passing grades at the end of each term; that report included attendance data from professors. The University then manually reviewed each student's information to determine the last date of attendance at an academically related activity to use in its return calculations. However, that review did not identify all students for whom a return was required. For 9 (15 percent) of 62 students tested, the University did not calculate the amount of Title IV funds to return. Specifically:

- For seven students who received Direct Loans and unofficially withdrew from a term in the award year, the University obtained the students' last day of attendance at an academically related activity, but it did not use that information to perform its return calculations. After auditors brought those errors to the University's attention, it performed return calculations for those students and returned funds as necessary to the U.S. Department of Education; therefore, there are no questioned costs.
- For one student, the University did not determine the last day of attendance at an academically related activity. That occurred because the student received a grade of "Incomplete," and the University did not evaluate grades of "Incomplete" when determining which students unofficially withdrew from all courses for a term. Because the University did not determine a last date of attendance for that student, auditors are unable to determine whether any questioned costs were associated with that error.
- For one student, the University determined that the student never began attendance in the payment period; however, the University did not return all Title IV program funds that were credited to the student's account for that payment period. After auditors brought that error to the University's attention, it returned funds as necessary to the U.S. Department of Education; therefore, there were no questioned costs.

The University did not have adequate controls to (1) identify all withdrawn students and (2) review its 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 inappropriately return funds that students have earned.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 user access at the network and server levels. Specifically:

- Two student interns had administrative access to the network, and the University asserted that those students needed that access to test new systems. Although the University asserted that it restricted these student interns' access to their work hours, the University provided that level of access only to those two student interns and the department director.

- Six former employees had access to two of the University's servers, and one former employee had access to another server. In addition, eight current employees had inappropriate access to one of the servers, and another current employee had duplicate accounts on two servers.

The University did not consistently conduct periodic user access reviews for network accounts, and the periodic user access review it performed on its servers was not effective.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems.

Recommendations:

The University should:

- Accurately calculate and return the required amount of Title IV funds.
- Strengthen controls to ensure that it identifies all withdrawn students.
- Strengthen the review process over its return calculations.
- Appropriately limit network and server access to current employees and ensure that access is appropriate based on job responsibilities.

Views of Responsible Officials:

Return of Title IV Funds

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

General Controls

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

Return of Title IV Funds

The University is in the process of reviewing its policies and procedures related to Return of Title IV Funds and Unofficial Withdrawals to minimize processing errors.

Implementation Date: November 1, 2017

Responsible Person: Beth Reid

General Controls

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland

Reference No. 2017-141

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2016-138, 2015-131, 2014-152, and 2013-173)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162335; and CFDA 84.268, Federal Direct Student Loans, P268K172335

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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, 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 always report students who unofficially withdrew from all courses for the term to NSLDS or did not always report the correct effective date for the withdrawn status. For 6 (9 percent) of 67 students tested, the University determined the last date of attendance for students who withdrew without providing official notification; however, it did not report those students as withdrawn to NSLDS. Specifically:

- For three students, the University did not report a withdrawn status to NSLDS.
- For three students, the University ultimately reported a withdrawn status to NSLDS because the students did not return for the subsequent term; however, the effective date it reported was incorrect because the date it reported was the last day of the term, rather than the students’ last dates of attendance.

The University did not have an adequate process to ensure that it accurately reported students who unofficially withdrew from all courses for the term to NSLDS.

In addition, the University did not always report the correct effective date for students’ status changes. For 3 (4 percent) of 67 students tested, the University correctly reported the students as withdrawn; however, it reported an incorrect effective date for the withdrawn status. For those students, the University incorrectly backdated the withdrawn status to the last day of the previous term or the first day of the current term, rather than reporting the actual date of the students’ withdrawals.

The University did not have an adequate process to ensure that it reported student status changes and the effective dates of those 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 awards 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 user access at the network and server levels. Specifically:

- Two student interns had administrative access to the network, and the University asserted that those students needed that access to test new systems. Although the University asserted that it restricted these student interns' access to their work hours, the University provided that level of access only to those two student interns and the department director.
- Six former employees had access to two of the University's servers, and one former employee had access to another server. In addition, eight current employees had inappropriate access to one of the servers, and another current employee had duplicate accounts on two servers.

The University did not consistently conduct periodic user access reviews for network accounts, and the periodic user access review it performed on its servers was not effective.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems.

Recommendations:

The University should:

- Strengthen controls over its process to report status changes for students who unofficially withdraw.
- Accurately report all student status changes and effective dates to NSLDS in a timely manner.
- Appropriately limit network and server access to current employees and ensure that access is appropriate based on job responsibilities.

Views of Responsible Officials:

Enrollment Reporting

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

General Controls

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

Enrollment Reporting

The University will be completing a full review of Enrollment Reporting Policies and Procedures.

Implementation Date: July 1, 2018

Responsible Person: Nichole Fisher

General Controls

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland

University of Texas at Austin

Reference No. 2017-142

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164173; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162336; and CFDA 84.268, Federal Direct Student Loans, P268K172336

Statistically valid sample – No and not intended to be a statistically valid sample

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)).

The University of Texas at Austin (University) did not correctly calculate the amount of Title IV funds earned or the amount of funds to return for 13 (22 percent) of 60 students tested. Those errors occurred because the University incorrectly determined the total number of days in the payment period for the Fall 2016 term. The University incorrectly used 0 days (instead of 5 days) for its Thanksgiving break when it determined the payment period for the Fall 2016 term, and it did not have a control to ensure that it used the correct number of days in its calculations. For all 13 students, the University returned more funds to the U.S. Department of Education than it was required to return; therefore, there were no questioned costs.

The University identified the error described above at the end of the Fall 2016 term and, as a result, it performed return calculations again, communicated the error to affected students, redispursed any Pell Grant funds the students were eligible to receive, and offered to disburse the portion of loan funds that it incorrectly returned to the U.S. Department of Education. When it made corrections for one of the 13 students whose information auditors tested, the University incorrectly disbursed \$26 in Pell Grant funds that the student was not eligible to receive. After auditors brought that error to the University’s attention, it returned the \$26 in Pell Grant funds to the U.S. Department of Education; therefore, there were no questioned costs.

The University asserted that a total of 60 students in the Fall 2016 term had been affected by the error described above and that it made the necessary corrections.

Recommendations:

The University should:

- Accurately determine the number of days in scheduled breaks and calculate returns of Title IV funds correctly based on the payment period or period of enrollment.
- Implement controls to determine the number of days to use in its return calculations.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will continue to work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The University has implemented process enhancements when reviewing the total number of days within a payment period for a specific semester. The semester dates will be reviewed by multiple staff members to ensure accuracy in determining the number of days in the semester for the R2T4 calculation. These staff member reviews will include a senior level manager.

Implementation Date: November 9, 2017

Responsible Person: Gordon Lipscomb

Reference No. 2017-143

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162336; and CFDA 84.268, Federal Direct Student Loans, P268K172336

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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

The University of Texas at Austin (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to 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 ensure that students with enrollment changes were accurately reported to NSLDS. Specifically, for 2 (3 percent) of 60 students tested with enrollment status changes, the University did not report the status change to NSLDS. Both of those students unofficially withdrew during the Fall 2016 term and, while the University reported the status changes to NSC, those status changes were never reported to NSLDS. Both of those students also unofficially withdrew during the Spring 2017 term, and the University determined that those students never attended that term. For one of those students, the University reported the student as withdrawn with an incorrect effective date. For the other student, the University never reported the withdrawal to NSLDS. The University accurately reported the statuses of both students to NSLDS after auditors brought those errors to its attention.

The University did not have an adequate monitoring process to ensure that student status changes were accurately reported to NSLDS. Not reporting student status changes 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.

Recommendations:

The University should:

- Accurately report status changes and effective dates to NSLDS.
- Establish and implement a monitoring process to ensure that the status changes it reports to NSC are accurately reported to NSLDS.

Views of Responsible Officials:

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 of Texas at Austin has adjusted the student information system software by expanding the search criteria to look for past semester withdrawal dates rather than relying on the last day of the previous semester when the institution has determined that the student is not enrolled in the given term. This will allow us to pick up the correct effective date of the withdrawal. The institution will take steps to identify students who are enrolled in the current semester but retroactively withdrew from a previous semester, and will manually update enrollment status and effective date using NSLDS web. NSC is aware of this issue and has this on their priority of enhancements. Once NSC fully supports the functionality of submitting stacked enrollments for students, we will discontinue to update NSLDS directly. NSC has been collaborating with Federal Student Aid (FSA) for clarification regarding reporting retroactive enrollment status changes and will be taking measures to address this issue in the near future.

Implementation Date: February 2018

Responsible Person: Vasanth Srinivasa

University of Texas at El Paso

Reference No. 2017-144

Cash Management

(Prior Audit Issue 2016-143)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164176; CFDA 84.033, Federal Work-Study Program, P033A164176; CFDA 84.063, Federal Pell Grant Program, P063P162338; CFDA 84.268, Federal Direct Student Loans, P268K172338; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172338

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency

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	

In addition, an institution 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 have adequate controls over its cash management processes to ensure that it managed its federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards. Specifically, the support the University used to determine drawdown amounts did not contain sufficient information, using the University’s internal records, to determine the University’s net cash position based on the net amount of cumulative expenditures and cumulative reimbursements as of the draw date. The University had written policies; however, those policies did not include procedures for calculating the University’s net cash position. While auditors did not identify any instances of non-compliance with cash management requirements, not having adequate controls over its drawdown processes increases the risk that the University could draw down funds that exceed its needs.

Recommendation:

The University should develop, document, and implement a process to ensure that its drawdown calculations consider cumulative expenditures and cumulative reimbursements based on the University’s internal records.

Views of Responsible Officials:

It is the opinion of the University that this finding is highly subjective as the Institution does have policies and procedures in place (checks and balances) to ensure that drawdown amounts reflect the accurate cash available and cumulative expenditures and reimbursements. In order to strengthen our current policies and procedures and to specifically address the auditor’s concern of net cash position based on the net amount of cumulative expenditures and cumulative reimbursements as of the date of the drawdown, the University will adjust and amend its cash management policies.

Corrective Action Plan:

The Office of Student Financial Aid and the Office of Contracts and Grants have already discussed this recommendation and a draft policy is being written. A follow-up meeting is scheduled and the final policy will be implemented March 1, 2018.

Implementation Date: March 1, 2018

Responsible Persons: Gladys Chairez and Guadalupe Gomez

Reference No. 2017-145

Eligibility

Special Tests and Provisions – Institutional Eligibility

(Prior Audit Issue 2016-144 and 2015-141)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164176; CFDA 84.033, Federal Work-Study Program, P033A164176; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162338; CFDA 84.268, Federal Direct Student Loans, P268K172338; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172338; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, T08HP30178-01-00, T08HP30184-01-00, and T08HP30206-01-00

Statistically valid sample – No and not intended to be a statistically valid sample

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 (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook, Application and Verification Guide*, chapter 1, and Title 34, Code of Federal Regulations (CFR), Sections 668.2, 673.5, and 685.301).

Direct Loans have annual and aggregate limits based on the student’s dependency status and classification (undergraduate or graduate). 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, *2016-2017 Federal Student Aid Handbook*, volume 3, chapter 5).

The University of Texas at El Paso (University) assigned an incorrect COA budget for three students. The University established different COA budgets based on a student’s classification (for example, graduate or undergraduate) and it awarded financial assistance to students based on those budgets. For financial assistance purposes, the University considers students enrolled in its Alternative Certification Program to be undergraduates; however, due to manual errors that it made, the University assigned a graduate level COA budget for three students

enrolled in that program. As a result, the University incorrectly disbursed Direct Loan funds to one of those students based on the graduate level annual limit, which resulted in that student receiving \$4,076 in Direct Loans in excess of the undergraduate annual limit. After auditors brought that error to the University's attention, it returned the excess funds to the U.S. Department of Education; therefore, there were no questioned costs. The other two students' financial assistance awards did not exceed the undergraduate annual limit; however, assigning an incorrect COA budget increases the risk that students could receive awards in excess of those limits.

Satisfactory Academic Progress

A student is eligible to receive Title IV financial assistance if the student maintains satisfactory academic progress (SAP) 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 SAP policy should describe how a student's grade point average (GPA) and pace of completion are affected by course incompletes, withdrawals, or repetitions, or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student's educational program must count as both attempted and completed hours (Title 34, CFR, Section 668.34(a)(6)).

The University's SAP policy did not include all required elements. Specifically, the University's SAP policy did not specify how a student's GPA was affected by withdrawals or transfer hours from other institutions.

Auditors did not identify students during testing who would be ineligible for student financial assistance as a result of the issue discussed above. However, not including required elements in the SAP policy increases the risk that the University could incorrectly calculate SAP and award financial assistance to ineligible students.

Federal Supplemental Educational Opportunity Grants

The Federal Supplemental Educational Opportunity Grants (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 \$2,400 in FSEOG assistance to 6 students who did not also receive Federal Pell Grants. In addition, the University did not award FSEOG assistance to all other Federal Pell Grant recipients before awarding FSEOG assistance to those six students. The University configured its financial assistance system to prevent students from receiving FSEOG if they had not also received a Federal Pell Grant disbursement; however, that control was not in place for the Summer term. As a result, the University incorrectly disbursed FSEOG funds to five students. For the remaining student, the University did not cancel the FSEOG award after it determined that student was not eligible for a Federal Pell Grant due to a manual error that it made. After auditors brought those errors to the University's attention, it canceled the FSEOG awards for those students.

Recommendations:

The University should:

- Assign COA budgets and award financial assistance to students based on their correct classification.
- Update its SAP policy to ensure that it meets all federal requirements, including a description of how a student's GPA is affected by withdrawals and transfer hours.
- Award FSEOG assistance only to eligible students.

Views of Responsible Officials:

Cost of Attendance

The University concurs that in each of the three instances noted by the auditors, the staff member erroneously updated information that incorrectly adjusted the student's cost of attendance. Since human error caused these errors, the

University has already provided additional guidance and training to prevent these mistakes from reoccurring again in the future.

Satisfactory Academic Progress

In accordance with the University's catalog, grades of "W" and grades associated with transfer credit hours are not included in the Institution's GPA calculation and, therefore, are not counted in the student's grade point average for Financial Aid SAP purposes. In order to be compliant with the state auditors' recommendation, since this information may not appear to be detailed enough for our students, the University has already incorporated this Catalog information into its current Financial Aid SAP Policy. The policy has been modified and has been posted on the Office's website.

Federal Supplemental Educational Opportunity Grant

The auditors identified six students who received FSEOG but did not receive Pell. The Institution identified that one of these inaccuracies was due to a manual error. For the five remaining students, in order to award additional SEOG funds, the University created a rule during the Spring semester in Banner to prevent disbursements of FSEOG to students who did not receive Pell, but the control was not activated. Immediately following the auditors' site visit, the school corrected the rule in Banner to only award FSEOG to eligible students.

Corrective Action Plan:

Cost of Attendance

As stated above, the University has already provided additional guidance and training to prevent these cost of attendance errors from reoccurring again in the future.

Implementation Date: *DONE – December 2017*

Responsible Person: *Gladys Chairez*

Satisfactory Academic Progress

As stated above, the University has already modified its Financial Aid SAP Policy.

Implementation Date: *DONE – January 2018*

Responsible Person: *Gladys Chairez*

Federal Supplemental Educational Opportunity Grant

As stated above, the University has already activated the rule in Banner for eligibility purposes and modified its award packaging requirements.

Implementation Date: *DONE – December 2017*

Responsible Person: *Gladys Chairez*

Reference No. 2017-146

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164176; CFDA 84.033, Federal Work-Study Program, P033A164176; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162338; CFDA 84.268, Federal Direct Student Loans, P268K172338; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172338

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, Supplemental Nutrition Assistance Program benefits, 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 80, number 123).

Questioned Cost:	Unknown
U.S. Department of Education	

If an applicant is selected to verify AGI, income earned from work, or U.S. income tax paid, an institution must accept, in lieu of an income tax return or an Internal Revenue Service (IRS) form that lists tax account information if the individual for the specified year has not filed and, under IRS rules or other applicable government agency rules, is not required to file an income tax return, a statement signed by that individual certifying that he or she has not filed and is not required to file an income tax return for the specified aid year and certifying for that year that individual's sources of income earned from work as stated on the FAFSA and the amounts of income from each source (Title 34, CFR, Section 668.57).

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 subsidized student financial assistance awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

For 3 (5 percent) of 60 students tested, the University of Texas at El Paso (University) did not accurately verify all required items on the FAFSA; therefore, it did not subsequently request updated ISIRs as required. Specifically, for three students, the University did not accurately verify one or more of the following items: education credits, U.S. income taxes paid, or other untaxed income. Those errors occurred because of manual errors the University made during its verification process. When auditors brought those errors to the University's attention, the deadline to submit corrections for the award year had passed. However, the University performed procedures to correct information in its student financial assistance system and asserted the following: For two of those three students, the errors did not result in changes to students' EFCs or financial assistance awards; for the third student, the error resulted in a change in EFC and, as a result, the University overawarded a total of \$100 in Pell Grant funds. The University subsequently returned the overawarded amounts to the U.S. Department of Education. The University asserted that it had a process to review a sample of the verifications it performed; however, that process did not detect the errors discussed above.

Recommendations:

The University should:

- Accurately verify required FAFSA information for applicants selected for verification.
- Strengthen its process to review verifications.

Views of Responsible Officials:

The University concurs that each of the three instances, noted by the auditors, were caused by human error. Each student's file was processed by a different staff member and each erred on a different verifiable item in the verification process. As such, since human error caused these oversights, the University has already provided additional guidance and training to prevent these mistakes from reoccurring in the future.

Corrective Action Plan:

As stated above, the University has already provided additional guidance and training to prevent these verification errors from reoccurring in the future.

Implementation Date: DONE – December 2017

Responsible Person: Gladys Chairez

Reference No. 2017-147

Special Tests and Provisions - Return of Title IV Funds

(Prior Audit Issue 2016-145)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164176; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162338; CFDA 84.268, Federal Direct Student Loans, P268K172338; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172338

Statistically valid sample – No and not intended to be a statistically valid sample

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

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

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)).

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 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. For purposes of this calculation, "institutional charges" are tuition, fees, room and board (if the student contracts with the institution for the room and board), and other educationally related expenses assessed by the institution (Title 34, CFR, Section 668.22(g)).

For 8 (12 percent) of 65 students tested, the University of Texas at El Paso (University) incorrectly calculated the amount of Title IV funds to be returned. Specifically:

- For four students, the University did not accurately determine the amount of institutional charges to be used in the return calculation. That occurred because the University did not configure its financial assistance system, Banner, to include room and board fees. As a result, the University returned less than was required. After auditors brought that error to its attention, the University recalculated and returned the required funds to the U.S. Department of Education for those four students; therefore, there were no questioned costs. The University asserted that it identified a total of 38 students affected by that error, re-performed the return calculations to include room and board fees, and returned all required funds.
- For two students, the University did not perform a return calculation; as a result, it did not return any of the required funds. One of those errors was the result of a manual error the University made; the other error was due to an issue in the University's financial assistance system. After auditors brought those errors to the University's attention, it completed return calculations and returned all required funds; therefore, there were no questioned costs.
- For one student, the University performed an erroneous second return calculation after it had correctly calculated and returned the required amount of funds. As a result, the University returned more than was required. The University asserted that it performed the second calculation because it did not properly maintain documentation of its original calculation.
- For one student, the University used an incorrect withdrawal date in its return calculation. As a result, the University returned more than was required; therefore, there were no questioned costs.

The University asserted that it had a process to review a sample of the return calculations it performed during the award year; however, that process did not detect the errors noted above.

Recommendations:

The University should:

- Accurately determine the amount of Title IV funds to be returned for all students who withdraw.
- Strengthen its process to review return calculations.

Views of Responsible Officials:

The Institution concurs with the auditors' recommendations. During the 2016-2017 award year, the Return of Title IV responsibilities and oversight of this process transitioned from one manager to another and both system and human errors occurred. The University has already modified the Banner student system during the auditors' site visit to accurately reflect institutional charges and the newly hired manager has strengthened and corrected the University's Return of Title IV policies and procedures.

Corrective Action Plan:

As stated above, the University has already made the necessary changes to be compliant with Return of Title IV regulations to prevent these errors from reoccurring in the future.

Implementation Date: DONE – January 2018

Responsible Persons: Gladys Chairez and Diana Valle

Reference No. 2017-148

Special Tests and Provisions - Enrollment Reporting

(Prior Audit Issue 2016-146)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162338; and CFDA 84.268, Federal Direct Student Loans, P268K172338

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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 (*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: (1) one transaction showing the completion of the first program and its effective date and credential level and (2) another transaction showing the enrollment in the second program and its effective date (*NSLDS Enrollment Reporting Guide*, Appendix C, and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

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 4 (7 percent) of 60 students tested, the University (1) did not report status changes to NSLDS when required, (2) did not accurately report effective dates of status changes to NSLDS, or (3) did not report status changes to NSLDS in a timely manner. Specifically, the University:

- Did not report one student’s graduated status. The University reported that student’s graduated status to NSC, but NSC did not report that status to NSLDS because that student enrolled in a subsequent term.
- Reported an incorrect effective date for one student who had a status change between two terms.
- Did not report two students’ status changes in a timely manner. The status changes for those students were reported 61 and 64 days after their effective dates. According to the University, at the time those changes occurred, the University had not fully implemented its reporting schedule to ensure that changes were reported in a timely manner.

The University asserted that it had developed a monitoring process to ensure that student status changes were accurately reported to NSLDS; however, that process was not formalized or documented and did not detect the errors discussed above. 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 status changes and effective dates to NSLDS in a timely manner.
- Implement a formal documented monitoring process to help ensure accurate reporting to NSLDS.

Views of Responsible Officials:

The University concurs with the auditors' recommendations.

Corrective Action Plan:

The University will continue to strengthen and monitor its enrollment reporting process to remain in compliance with these regulations.

Implementation Date: DONE – December 2017

Responsible Persons: Gladys Chairez and Nohemi Gallarzo

University of Texas Health Science Center at Houston

Reference No. 2017-149

Cash Management

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A165159; CFDA 84.063, Federal Pell Grant Program, P063P162584; and CFDA 84.268, Federal Direct Student Loans, P268K172584

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency

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	

In addition, institutions must establish and maintain effective internal control over federal awards 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 Health Science Center at Houston (Health Science Center) did not have adequate cash management controls to manage its federal awards in compliance with federal statutes, regulations, and the terms and conditions of its federal awards. Specifically:

- The Health Science Center did not have a process to review and approve amounts to be drawn down for Federal Direct Student Loans. Additionally, the support it used to determine the drawdown amounts did not contain sufficient information to determine the net amount of cumulative disbursements and cumulative reimbursements as of the draw date. Although the Health Science Center performed monthly reconciliations of Direct Loan disbursements and reimbursements that allowed it to identify whether it was overdrawn, it performed those reconciliations after it had drawn down funds.
- The Health Science Center performed a documented review of reports that supported the amounts it planned to draw down for the Federal Pell Grant Program and Federal Supplemental Educational Opportunity Grants (FSEOG). However, the reports it reviewed did not contain sufficient information to determine the net amount of cumulative disbursements and cumulative reimbursements as of the draw date. The Health Science Center performed monthly reconciliations of the Federal Pell Grant Program and FSEOG; however, it reconciled only disbursements to students and did not consider federal reimbursements.

Not having adequate controls over cash management increases the risk that the Health Science Center could draw down funds in excess of its needs.

Although auditors identified the control weaknesses discussed above, auditors did not identify any non-compliance with cash management requirements.

Recommendations:

The Health Science Center should:

- Develop and implement a process to review adequate support and approve drawdowns for its Federal Direct Loans.

- Develop and implement a process to ensure that drawdown amounts consider cumulative disbursements and cumulative reimbursements as of the draw date.

Views of Responsible Officials:

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 revised its draw down procedures for the Direct Loan Program. The revisions will implement a review and documentation of the net amount of cumulative disbursements and cumulative reimbursements at the time of each drawdown and forward the drawdown request to the Director of Student Financial Services for review and approval.

The University has revised its draw down procedures for the Pell Grant Program and Federal Supplemental Educational Opportunity Grants. The revisions will implement a process to ensure that we obtain sufficient information to determine, consider, document, cumulative disbursements and cumulative reimbursements as of the draw date.

Implementation Date: March 1, 2018

Responsible Person: Araceli Alvarez

Reference No. 2017-150

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A165159; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162584; CFDA 84.268, Federal Direct Student Loans, P268K172584; CFDA 93.264, Nurse Faculty Loan Program, E01HP28779-02-00; CFDA 93.342, Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students, E31HP24333-02-00; and CFDA 93.364, Nursing Student Loans, Award Number Not Applicable

Statistically valid sample – No and not intended to be a statistically valid sample

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).

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 Health Science Center at Houston (Health Science Center) had established different COA budgets for undergraduate and graduate students based on residency, degree program, and period of enrollment. The Health Science Center set up the COA budgets in its student financial assistance system, PeopleSoft, only for full-time enrollment; it did not set up COA budgets for less-than-full-time enrollment. The formulas in PeopleSoft automatically determined which budget items are assigned to each student set up for the aid year, and the Health Science Center performed any subsequent adjustments manually.

For 27 (44 percent) of 62 students tested, the Health Science Center incorrectly or inconsistently calculated the student's COA. For each of those 27 students, the Health Science Center made one or more of the following errors in its budget determination:

- Assigned a full-time tuition and fees and/or books and supplies budget when the student was enrolled less than full-time.
- Assigned a tuition and fees budget based on Texas resident tuition when the student was a non-resident.
- Assigned a loan fee budget when the student did not receive a direct loan or incorrectly calculated the loan fee budget amount.
- Did not consistently use its established COA budgets to determine the student's tuition and fees budget amount.

The errors discussed above occurred because the Health Science Center did not adequately design the controls over its budgeting process to ensure that it assigned COA budgets to students correctly and consistently. As a result of the COA errors discussed above, the Health Science Center overawarded two students a total of \$2,278 in direct loan assistance. After auditors brought those errors to the Health Science Center's attention, the Health Science Center returned the funds to the U.S. Department of Education; therefore, there were no questioned costs.

Recommendation:

The Health Science Center should strengthen controls to ensure that it properly assigns COA components and does not overaward financial assistance to students.

Views of Responsible Officials:

The University concurs with the recommendations.

Corrective Action Plan:

Consistent with the audit recommendation, the Financial Aid Office will make certain that all components of a student's cost of attendance are properly assigned by 1. Developing a query to identify a student's enrollment status on the census day in order to adjust the cost of attendance based on enrollment level 2. Ensuring that all non-resident students receive the proper budget items prior to packaging by identifying them on the packaging queries 3. Developing a query that identifies students with required loan fee adjustments.

Implementation Date: April 1, 2018

Responsible Person: Araceli Alvarez

Reference No. 2017-151

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A165159; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162584; and CFDA 84.268, Federal Direct Student Loans, P268K172584

Statistically valid sample – No and not intended to be a statistically valid sample

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 benefits, 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 80, number 123).

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 subsidized student financial assistance awards 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 (9 percent) of 23 students tested, the University of Texas Health Science Center at Houston (Health Science Center) did not accurately verify certain items on the FAFSA or made unsupported changes to FAFSA items. Specifically:

- The Health Science Center incorrectly verified one student’s income earned from work and child support paid. As a result, that student’s EFC was understated, which resulted in the Health Science Center overawarding \$100 in Federal Pell Grant assistance to that student.
- The Health Science Center incorrectly added taxable interest income as untaxed income to one student’s ISIR. As a result, that student’s EFC was overstated. However, that student had already been awarded the maximum amount of need-based aid for which that student was eligible; therefore, no adjustment to the student’s awards was necessary.

After auditors brought those errors to the Health Science Center’s attention, it made corrections to those students’ ISIRs and returned funds to the U.S. Department of Education as necessary; therefore, there were no questioned costs.

Those errors occurred because of manual errors the Health Science Center made during its verification process, and they went undetected because the Health Science Center did not have a documented and formal control to monitor the verification process.

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 that 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 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. An institution's procedures also 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 Health Science Center's verification policies and procedures did not include two of the required elements. Specifically, the Health Science Center's policies and procedures did not include:

- 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 that results in a change in the amount of the applicant's student financial assistance. The Health Science Center's policies and procedures indicated that the Health Science Center relied on the U.S. Department of Education to notify students of any changes that result from the verification process.
- 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 Health Science Center may not perform verification in compliance with requirements and that students may not be aware of the verification results.

Recommendations:

The Health Science Center should:

- Accurately verify all required FAFSA information for students selected for verification.
- Establish and implement an effective monitoring process for verification.
- Include all required elements in its verification policies and procedures.

Views of Responsible Officials:

The University concurs with the recommendations.

Corrective Action Plan:

The Financial Aid Office will provide mandatory training to staff members responsible for verification review to ensure accuracy.

The Financial Aid Office will emphasize the importance of accuracy in the verification process by requiring a second review on each evaluation. This change will take effect immediately.

Consistent with the audit recommendation, we will strengthen our policies and procedures to include all required elements in the verification process.

Implementation Date: April 1, 2018

Responsible Person: Araceli Alvarez

Reference No. 2017-152

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A165159; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162584; and CFDA 84.268, Federal Direct Student Loans, P268K172584

Statistically valid sample – No and not intended to be a statistically valid sample

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)). A student is considered to have withdrawn from a payment period or period of enrollment if the student does not complete all the days in the payment period or period of enrollment that the student was scheduled to complete (Title 34, CFR, Section 668.22(a)(2)). 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: Unknown
U.S. Department of Education

For a leave of absence (LOA) to qualify as an approved leave of absence, a student must meet certain criteria, including the following: (1) the student must follow the institution’s policy in requesting the LOA; (2) there must be a reasonable expectation that the student will return from the LOA; (3) the LOA, together with any additional LOA, must not exceed a total of 180 days in any 12-month period; and (4) except in a clock-hour or non-term credit-hour program, a student returning from an LOA must resume training at the same point in the academic program that he or she began the LOA. A student granted an LOA that meets those criteria, along with the criteria met by the institution, is not considered to be withdrawn, and no return calculation is required (U.S. Department of Education, *2016-2017 Federal Student Aid Handbook*, volume 5, chapter 1).

The University of Texas Health Science Center at Houston (Health Science Center) did not have a process to identify students who withdrew without providing official notification to the Health Science Center. The Health Science Center was able to produce a report that identified students who had no passing grades for a term but had not officially withdrawn. However, it did not have a process to run and review that report throughout the award year to determine which students unofficially withdrew and the last date of attendance for those students for the purposes of determining when it must return Title IV funds. Auditors identified three students who may have unofficially withdrawn from a term in the 2016-2017 federal award year; however, auditors could not determine whether the Health Science Center would have been required to return Title IV funds for any of those students.

In addition, for 1 (10 percent) of 10 students tested who had a return of Title IV funds, the Health Science Center inaccurately withdrew a student on a LOA and, as a result, it incorrectly returned funds. The Health Science Center granted the student a LOA with the expectation that the student would return within 180 days to the student’s non-term credit hour program. The student returned after 128 days; however, the Health Science Center inaccurately withdrew the student effective the first date of the student’s leave. As a result, the Health Science Center incorrectly returned \$4,640 of Unsubsidized Federal Direct Student Loans to the U.S. Department of Education.

Recommendations:

The Health Science Center should:

- Develop, document, and implement a process to identify students who unofficially withdraw from the Health Science Center and determine whether it is required to perform a return of Title IV funds calculation.
- Accurately determine students’ withdrawal dates and return Title IV funds only when required.

Views of Responsible Officials:

The University concurs 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:

We developed a new query to help identify students who unofficially withdraw from the University, and we will work with the Registrar’s office at the end of each term to determine the official withdrawal date and perform the required Return of Title IV calculation if applicable.

We agree that the award returned to the Department of Education on the Leave of Absence student was returned in error due to a regulatory misinterpretation. The Financial Aid Office will provide staff training to strengthen our process in this area to ensure future accuracy.

Implementation Date: April 1, 2018

Responsible Person: Araceli Alvarez

Reference No. 2017-153

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 86.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162584; and CFDA 84.268, Federal Direct Student Loans, P268K172584

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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

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 (*NSLDS Enrollment Reporting Guide*, Appendix C). 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, 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 Health Science Center at Houston (Health Science Center) uses the services of the National Student Clearinghouse (NSC) to report status changes to the NSLDS. Under this arrangement, the Health Science 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 Science Center’s

behalf and communicates status changes to NSLDS as applicable. Although the Health Science Center uses the services of NSC, it is still ultimately the Health Science 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 Science Center did not report a withdrawn status for students who unofficially withdrew from all courses for a term to NSLDS. The Health Science Center did not have a process to identify students who withdrew without providing official notification. For return of Title IV funds purposes, auditors identified three students who may have unofficially withdrawn from a term in the 2016-2017 federal award year; however, since the Health Science Center did not determine a last day of attendance for those students, it is unknown whether or not those students should have been reported as withdrawn.

For 20 (33 percent) of 61 students tested who had enrollment status changes, the Health Science Center did not (1) report status changes to NSLDS when required or (2) accurately report status changes or the effective dates of those changes to NSLDS. Specifically:

- The Health Science Center did not report seven students' enrollment level status changes to NSLDS. Those errors occurred because the Health Science Center did not configure its student financial assistance system, PeopleSoft, to identify status changes for students who dropped courses during a term for reporting purposes.
- The Health Science Center correctly reported a withdrawn status and the effective date of that status for one student who did not return from a leave of absence; however, that status was incorrectly overridden by a subsequent transmission to NSLDS with a full-time status effective the first date of the term.
- The Health Science Center did not report the enrollment status for two students who were enrolled in the Summer term. Those errors occurred because the Health Science Center only reported enrollment data to NSC one time during its Summer term and those students registered for classes after that report was submitted.
- The Health Science Center did not report a graduated status for two students. The Health Science Center reported those students' graduated statuses to NSC; however, NSC did not report the status changes to NSLDS.
- The Health Science Center reported an incorrect effective date for one student who graduated in the professional, year-long term. The Health Science Center granted the student an extension to complete a School of Medicine program past the end of the last day of the term; it then assigned a graduation effective date after the School of Medicine term ended when the student completed the program. The Health Science Center reported that effective date to NSC; however NSC changed the effective date to the last date of the term.
- The Health Science Center reported incorrect effective dates for seven students who graduated from the School of Dentistry. The Health Science Center reported those students' graduation effective dates as the last day of a different program's term.

Not reporting student status changes or not reporting status changes 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.

Recommendations:

The Health Science Center should:

- Establish and implement a process to identify and report unofficially withdrawn students to NSLDS.
- Report accurate status changes and effective dates to NSLDS.
- Implement controls to ensure that it accurately and continuously reports status changes.

Views of Responsible Officials:

The University acknowledges and agrees with the audit findings. The Registrar's Office continues to work closely with the NSC and NSLDS to improve the accuracy of enrollment reporting. The two employees responsible for enrollment reporting have received training and attended the FSA conference to develop a better understanding of the database

and establish NSLDS contacts. These employees have also participated in NSC webinars covering enrollment reporting.

Corrective Action Plan:

The University will establish a business process to identify and accurately report to NSLDS students who unofficially withdraw from the institution.

The University has implemented system configurations that ensure the accuracy of student enrollment statuses reported to the NSLDS. We will increase the number of summer submissions to reflect accurate student enrollment in all terms.

The University will implement management and system controls to ensure that it accurately and continuously reports status changes to NSLDS.

Implementation Date: April 1, 2018

Responsible Persons: Brenda Powers and Robert Jenkins

University of Texas Health Science Center at San Antonio

Reference No. 2017-154

Cash Management

Activities Allowed and Unallowed Reporting

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award number – CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, T08HP30150

Non-Major Program:

Research and Development Cluster

Award year – April 1, 2016 to March 31, 2017

Award number – CFDA 93.351, Research Infrastructure Programs, S10OD021805

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

An institution must use a financial management system that enables it to (1) identify, in its records, 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 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 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 Health and Human Services	

Activities funded under the U.S. Department of Health and Human Services’ Scholarships for Disadvantaged Students (SDS) program must be considered allowable under the grant, as required by Title 45, CFR, Section 75.403. Specifically, activities funded must be allocable and reasonable and must conform to the funding opportunity announcement under which the grant was made. Institutions are responsible for selecting scholarship recipients, making reasonable determinations of need, and providing scholarships that do not exceed the allowable costs (including tuition, reasonable educational expenses, and reasonable living expenses) (U.S. Department of Health and Human Services, *Scholarships for Disadvantaged Students (SDS) Guidelines*, September 2016).

The University of Texas Health Science Center at San Antonio (Health Science Center) did not always manage its federal awards in compliance with federal statutes, regulations, and the terms and conditions of its federal awards. Specifically, in October 2016, using the U.S. Department of Health and Human Services’ Payment Management System (PMS), the Health Science Center erroneously drew down funds from its Scholarships for Health Professions Students from Disadvantaged Backgrounds (SDS) student financial assistance award to pay for Research Infrastructure Program equipment that it had purchased. The Health Science Center detected that error in March 2017 when it drew down funds for its February 2017 SDS disbursements to students. To correct the error and reimburse the Health Science Center for funds it disbursed to students, the Health Science Center submitted its SDS drawdown against its Research Infrastructure Program award. Both drawdowns were for \$600,000; therefore, there was no net cash effect for that error and there were no questioned costs.

As a result of that error, (1) the Health Science Center’s financial reporting of those drawdowns was not accurate and (2) the Health Science Center used SDS funds to pay for an expense under the Research Infrastructure Program, which was not related to student financial assistance and was unallowable according the *Scholarships for Disadvantaged Students Guidelines*.

That error occurred because the Health Science Center incorrectly entered the award number in PMS when it made the drawdown request in October 2016. The Health Science Center had cash management policies and procedures; however, those policies and procedures did not include detailed information for how to perform the drawdown process.

Recommendations:

The Health Science Center should:

- Request drawdowns only from the correct awards.
- Strengthen its policies and procedures for its cash management process to ensure compliance with cash management requirements.

Views of Responsible Officials:

The University acknowledges and agrees with the finding. Through analysis of the exception identified in the audit, the University has developed and implemented corrective action to further improve the process.

Corrective Action Plan:

The UTHSCSA implement the following corrective actions as of December 2017: 1) The UTHSCSA eliminated a manual look up process which contributed to the initial drawdown error. The new procedure consists of eliminating a manual entry process and replaced with a more automated pull of data from PeopleSoft (the UTHSCSA's Financial System), and upload to the PMS system. 2) UTHSCSA has implemented an additional control of a monthly reconciliation process to ensure future draws are drawn against the appropriate subaccount(s).

Implementation Date: December 2017

Responsible Person: Ralph Kaster

Reference No. 2017-155

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162337; and CFDA 84.268, Federal Direct Student Loans, P268K172337

Statistically valid sample – No and not intended to be a statistically valid sample

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 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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

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. The effective date for a graduation status is the date the institution assigns to the completion or graduation (*NSLDS Enrollment Reporting Guide*, Appendix C and chapter 4, and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)). The University of Texas Health Science Center at San Antonio (Health Science Center) assigns the last day of the term as the effective date for students with a graduated status.

The Health Science Center did not report effective dates for student status changes consistently. Specifically, for 10 (16 percent) of 61 students tested, the Health Science Center inaccurately reported the graduation status effective date for those students as the degree confer date; however, based on its process, it should have reported the last day of the term as the effective date. Those errors occurred due to manual processing errors. The Health Science Center also did not have formal, documented policies and procedures for reporting status changes.

Not reporting student status changes 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.

Recommendations:

The Health Science Center should:

- Accurately report all effective dates to NSLDS.
- Formally document its policies and procedures for enrollment reporting.

Views of Responsible Officials:

The University acknowledges and agrees with the findings of this audit. The student's effective dates for the enrollment change were corrected in the National Student Loan Database System on September 14, 2017.

Additionally, the policy and procedures manual was formalized as of September 30, 2017 and includes procedures for correctly updating the effective dates at the time of an enrollment change or a student's exit from the university.

Corrective Action Plan:

The University has corrected the records and formalized their policy and procedures manual.

Implementation Date: September 30, 2017

Responsible Person: Ellen Nystrom

University of Texas Rio Grande Valley

Reference No. 2017-156

Cash Management

Reporting

(Prior Audit Issue 2016-147)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164091; CFDA 84.033, Federal Work-Study Program, P033A164091; CFDA 84.063, Federal Pell Grant Program, P063P162296; CFDA 84.268, Federal Direct Student Loans, P268K172296; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172296; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, T08HP293690101

Statistically valid sample – No and not intended to be a statistically valid sample

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	

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 adequate controls for its cash management process. The University generated invoices based on expenditures from its accounting system to determine the amount to draw down. However, the University’s accounting system inappropriately consolidated expenditures from multiple award years during the invoice process. For some of its drawdowns, the University reviewed student-level disbursement detail from its financial assistance system or reconciled the invoices from its accounting system to student-level disbursement detail to ensure that it drew funds from the appropriate award year. However, for 5 (42 percent) of the 12 drawdowns tested, the University did not adequately perform that reconciliation or did not consider the student-level disbursement detail. Specifically, the University did not have sufficient expenditures in the award year for the amount drawn for one of those five drawdowns. The University made that drawdown from the 2016-2017 Federal Work-Study Program award; however, the expenditures in the supporting invoices for that drawdown were from a combination of the 2016-2017 award year and prior award years. Auditors verified that the University had sufficient expenditures in the award year to support the amount it drew down for the remaining four drawdowns.

In addition, the University developed written policies and procedures during the award year; however, those procedures were high-level and did not contain detailed information for how to prepare a drawdown. The University also did not have an adequate process to document its review and approval of drawdowns.

Financial Reporting

The University used the U.S. Department of Education’s G5 system to request reimbursement of federal funds based on the invoices it generated from its information system. 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 compliance error discussed above, the University did not accurately report financial information.

Recommendations:

The University should:

- Draw down funds from the appropriate award year.
- Strengthen controls to ensure that it draws down funds from the appropriate award year and does not draw down funds in excess of its needs.
- Strengthen the documentation of its review and approval process for drawdowns of federal funds.
- Strengthen its policies and procedures for cash management, including its drawdowns of federal funds.

Views of Responsible Officials:

UTRGV concurs with the audit findings and is in the process of strengthening existing policies and procedures to address and correct each of the recommendations listed above.

Corrective Action Plan:

To ensure funds are drawn down from the appropriate award year, Student Accounting Services (SAS) has created new accounting project numbers for each corresponding award year (including Pell, SEOG, TEACH, Direct Loan, and Federal CWS); this will be ongoing for future award years.

Implementation Date: October 2017

Responsible Person: Raquel Garcia

To strengthen internal controls, ensure funds are drawn down from the appropriate award year and not exceed UTRGV's needs, SAS generates student detail data and reconciles against invoices generated in the ERP system before drawdowns are processed.

Implementation Date: September 2017

Responsible Person: Raquel Garcia

To strengthen documentation of the review and approval process for drawdowns, SAS is now obtaining drawdown approvals via email from the Director of SAS (or designee). Additionally, SAS is in the process of creating a form to document proper review and approvals.

Implementation Dates: September 2017 (email approvals) and January 2018 (form)

Responsible Person: Raquel Garcia

To strengthen its policies and procedures for cash management, SAS will augment its current procedures manual to include detailed instructions, screenshots and other useful tools on how to request federal funds, determine amounts to draw down, record funds received, etc.

Implementation Date: March 2018

Responsible Person: Raquel Garcia

Reference No. 2017-157

Special Tests and Provisions – Verification

(Prior Audit Issue 2016-149)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164091; CFDA 84.033, Federal Work-Study Program, P033A164091; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162296; CFDA 84.268, Federal Direct Student Loans, P268K172296; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172296

Statistically valid sample – No and not intended to be a statistically valid sample

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 benefits, 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 80, number 123).

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 subsidized student financial assistance awards on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

For 11 (18 percent) of 60 students tested, the University of Texas Rio Grande Valley (University) did not accurately verify all required items on the FAFSA; therefore, it did not request updated ISIRs as required. Specifically, the University did not accurately verify one or more of the following items: adjusted gross income, U.S. income taxes paid, education credits, or household size. Those errors occurred because the University (1) reviewed an incorrect line on the tax transcript, (2) reviewed tax documents from an incorrect tax year, or (3) did not follow up on conflicting information in the students’ records. Additionally, the University did not have an adequate process to monitor the verifications it performed to ensure that it completed the verification accurately.

When auditors brought those errors to the University’s attention, the deadline to submit corrections for the award year had passed; therefore, auditors were not able to determine whether those errors would have resulted in a change to the students’ EFCs or the amounts of financial assistance they received. Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

Recommendations:

The University should:

- Accurately verify all required FAFSA information for applicants selected for verification and request updated ISIRs when required.
- Strengthen its monitoring process for verification.

Views of Responsible Officials:

UTRGV concurs with the audit finding and will develop and implement the corrective action plan below to address the recommendations.

Corrective Action Plan:

- *Accurately verify all required FAFSA information for applicants selected for verification and request updated ISIRs when required.*

Financial Aid staff primarily responsible for verification have already received additional training on verification procedures. In addition, verification documentation will be enhanced to guide staff on how to accurately verify FAFSA information.

- *Strengthen its monitoring process for verification*

The University will enhance the review process of verification files completed. A random sample of students will be reviewed to ensure verification is completed in accordance with applicable regulatory requirements.

Implementation Date: April 2018

Responsible Person: Elias Ozuna

Reference No. 2017-158

Special Tests and Provisions – Return of Title IV Funds

(Prior Audit Issue 2016-150)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164091; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162296; CFDA 84.268, Federal Direct Student Loans, P268K172296; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T172296

Statistically valid sample – No and not intended to be a statistically valid sample

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. For purposes of this calculation, “institutional charges” are tuition, fees, room and board (if the student contracts with the institution for the room and board), and other educationally related expenses assessed by the institution (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)).

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 Title IV grant and loan funds credited to the student’s account must be returned (Title 34, CFR, Section 668.21).

For 2 (3 percent) of 62 students tested who had a return of Title IV funds, the University of Texas Rio Grande Valley (University) did not accurately determine the amount of Title IV funds to return. Specifically:

- For one student, the University inaccurately calculated the amount of institutional charges. As a result, the University returned less than was required. That error occurred because the University incorrectly excluded certain tuition fees. After auditors brought that error to the University's attention, it returned the required funds to the U.S. Department of Education; therefore, there were no questioned costs.
- The University incorrectly returned funds for one student who completed the payment period and, therefore, a return was not required. That error occurred due to a manual error the University made while performing the return calculation.

The University performed a secondary review of its return calculations; however, that review was not sufficient to identify the errors discussed above.

In addition, for 1 (2 percent) of 62 students tested who had a return of Title IV funds, the University did not return those funds within required time frames. The University made a manual error in coding that student's withdrawal. As a result, it returned the funds 57 days after it determined the student withdrew.

Further, for 3 (5 percent) of 61 students tested who withdrew or did not begin attendance and for whom the University did not return Title IV funds, the University did not accurately determine whether those students sufficiently completed the payment period to have earned the Title IV funds they received. Specifically:

- The University used an incorrect withdrawal date for one student due to a manual error. As a result, the University did not return funds as required.
- Two students did not begin attendance or did not begin attendance in courses that were eligible for financial assistance; however, the University did not return those students' financial assistance as required. Those errors occurred because the University did not have an adequate process to identify financial assistance recipients who did not begin attendance.

After auditors brought the errors discussed above to the University's attention, it returned the required funds for those students to the U.S. Department of Education; therefore, there were no questioned costs.

Recommendations:

The University should:

- Accurately calculate and return the required amount of Title IV funds within required time frames.
- Strengthen its review process over return of Title IV calculations.
- Strengthen controls to ensure that it identifies financial assistance recipients who did not begin attendance.

Views of Responsible Officials:

UTRGV concurs with the audit finding and will develop and implement the corrective action plan below to address the recommendations.

Corrective Action Plan:

- *Accurately calculate and return the required amount of 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 in regards to return of title IV calculation. Processes will run more frequently to help ensure that funds are being returned within the required time frame.

- *Strengthen its review process over return of Title IV calculations.*

The University will enhance the reviews of its calculations of Title IV funds required to be returned by enhancing monitoring reports to verify accuracy and timeliness of return of title IV calculations.

- *Strengthen controls to ensure that it identifies financial assistance recipients who did not begin attendance.*

The University has already enhanced existing reports in order to identify financial assistance recipients who did not begin attendance.

Implementation Date: April 2018

Responsible Person: Elias Ozuna

Reference No. 2017-159

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issue 2016-151)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P162296; and CFDA 84.268, Federal Direct Student Loans, P268K172296

Statistically valid sample – No and not intended to be a statistically valid sample

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)). Institutions are required to report the campus-level enrollment for the student, including enrollment status and the effective date of that enrollment status (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, chapter 1).

Questioned Cost:	0
U.S. Department of Education	

The effective date for a completion/graduation status (enrollment status of “G”) is the date that the institution assigns to the completion/graduation. To protect a student’s interest subsidy, institutions may report a student as withdrawn (enrollment status of “W”) while the student’s academic record is being reviewed to determine whether all graduation requirements have been met. However, once graduation is confirmed the institution must submit a change of the enrollment status from “W” to “G.” The institution must set the effective date of the “G” status to the same date that was reported for the initial “W” status or sometime after that date (*NSLDS Enrollment Reporting Guide*, Appendix C and chapter 4, and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)).

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 of 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).

The University did not report a withdrawn status for students who unofficially withdrew from all courses for a term to NSLDS. The University had a process to identify students who withdrew without providing official notification for purposes of determining whether a return of Title IV funds must be made; however, it did not report those students as withdrawn to NSLDS. For the purposes of returning Title IV funds, auditors identified 943 students who received financial assistance and did not earn at least one passing grade in a term and, therefore, may have unofficially withdrawn.

Auditors tested two students who unofficially withdrew, and a withdrawn status for those students was not reported to NSLDS. One of those students did not return for a subsequent term. That student was ultimately reported as withdrawn; however, the last date of the term was incorrectly reported as the effective date of the status change, rather than the date the student unofficially withdrew.

For 7 (11 percent) of 61 students tested, the University did not report the students' graduated status in a timely manner. Specifically, the University reported those students' graduated statuses between 65 and 133 days after it determined that those students satisfied graduation requirements.

For 2 (3 percent) of 61 students tested, the University did not report the enrollment status change to NSLDS or did not report the status change in a timely manner. Specifically:

- For one student, the University did not report the student's enrollment status to NSLDS. The University reported that student's enrollment status to NSC; however, that information was not reported to NSLDS.
- For one student, the University did not report the student's enrollment status in a timely manner. That status change was reported 74 days after the University became aware of the change in enrollment.

The errors discussed above occurred without detection because the University did not have adequate controls or monitoring processes to ensure that it reported student status changes accurately and completely to NSLDS in a timely manner.

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:

- Establish and implement a process to report unofficially withdrawn students to NSLDS.
- Accurately report student status changes and effective dates to NSLDS in a timely manner.
- Strengthen its controls to ensure that it reports accurate student status changes to NSLDS in a timely manner.

Views of Responsible Officials:

UTRGV concurs with the audit finding and will develop and implement the corrective action plan below to address the recommendations.

Corrective Action Plan:

- *Establish and implement a process to report unofficially withdrawn students to NSLDS.*

The University is expanding existing processes and has completed the NSLDS update for fall 2017 unofficial withdrawals. UTRGV will update appropriate documentation to reflect the reporting of unofficial withdrawals to NSLDS.

Implementation Date: February 2018

Responsible Persons: Elias Ozuna and Sofia Montes

- *Accurately report student status changes and effective dates to NSLDS in a timely manner.*

Having already achieved more timely and frequent enrollment reporting in 2016-2017, focus has narrowed to scrutinize accuracy of updates to NSLDS based on current enrollment reporting mechanisms. To more accurately report status changes within allowable timeframes, the Office of Financial Aid and the Registrar have partnered to monitor student status changes and the timing of said changes reaching NSLDS. These procedures are followed by staff who regularly monitor the status changes.

Implementation Date: March 2018

Responsible Persons: Jerry Martinez and Karla Flores

- *Strengthen its controls to ensure that it reports accurate student status changes to NSLDS in a timely manner.*

The Offices of Financial Aid and Registrar have partnered more closely to reconcile data loaded into NSLDS against data as it originated from the student information system on a regularly scheduled basis. Reconciliation efforts include accuracy of reported data for samples of students. The reconciliation team consistently visits these aspects of transmitted data.

Implementation Date: March 2018

Responsible Persons: Jerry Martinez and Karla Flores

Reference No. 2017-160

Special Tests and Provisions - Student Loan Repayments

(Prior Audit Issue 2016-152)

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award number – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

Under the Federal Perkins Loan program, institutions are required to make contact with the borrower during the initial and post-deferment grace periods. For loans with a nine-month initial grace period, 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, *2016-2017 Federal Student Aid Handbook*, volume 6, chapter 4).

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 an adequate process to ensure that it converted students’ Federal Perkins Loans to repayment status in accordance with federal requirements or in

a timely manner. For 18 (95 percent) of 19 students tested whose loans entered repayment status, the University determined the date of separation incorrectly. Specifically:

- The University had a process to determine the start of the grace period, and that process depended on a student's separation date. If the student separated before the tenth of the month, the University used the first of that month as the start of the grace period. If the student separated after the tenth of the month, the University used the first of the subsequent month as the start of the grace period. As a result of that process, however, the University did not convert 12 students' loans to repayment status in a timely manner. In addition, for two of those students, the University used the day before the last day of classes as the start of the grace period, rather than the last day of classes. As a result, the grace periods for those 12 students were either overstated or understated. In February 2017, the University updated its process to determine the start of the grace period in accordance with federal requirements. Auditors confirmed that for the one student tested whose Federal Perkins Loan was converted to repayment status after the University updated its process, the University correctly calculated the grace period.
- For 6 students, the University used the day of commencement for the term from which the student graduated as the start of the grace period, rather than the last day of classes. As a result, the grace periods for those students were overstated.

The University also did not have adequate processes to ensure that it contacted borrowers in accordance with federal requirements. Specifically:

- For all 19 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 initial repayment plans 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 23 defaulted loans tested, the University did not send required overdue notices. Prior to May 2017, the University relied on its monthly billing process to notify borrowers of overdue payments; however, that process did not comply with federal requirements. The University asserted that, beginning in May 2017, it updated its process to notify borrowers to 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 to 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.

Recommendations:

The University should:

- Convert Federal Perkins Loans to repayment status in a timely manner and in compliance with federal requirements.
- Strengthen its process to send all required notifications at required intervals.

Views of Responsible Officials:

UTRGV concurs with the audit findings and is in the process of strengthening existing policies and procedures to address and correct each of the recommendations listed above.

Corrective Action Plan:

To ensure Federal Perkins Loans are converted to repayment status in a timely manner, UTRGV uses the last date of the term as reflected in the student information system or the last date of attendance (at least half-time). Additionally, although Financial Aid (FA) provides this information, SAS will send monthly reminders to FA to inquire if any students meet this criteria.

Implementation Dates: February 2017 (repayment status) and January 2018 (reminders)

Responsible Person: Raquel Garcia

To strengthen its process of sending notifications at required intervals, SAS is now sending notices as per federal regulation schedules.

Implementation Date: May 2017

Responsible Person: Raquel Garcia

University of Texas at San Antonio

Reference No. 2017-161

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

Activities Allowed or Unallowed

Cash Management

Eligibility

Reporting

Special Tests and Provisions – Verification

Special Tests and Provisions – Return of Title IV Funds

Special Tests and Provisions – Enrollment Reporting

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

Special Tests and Provisions – Institutional Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164169; CFDA 84.033, Federal Work-Study Program, P033A164169; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P163294; CFDA 84.268, Federal Direct Student Loans, P268K173294; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T173294

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

Disbursement Notification Letters

If an institution credits a student’s ledger account with Direct Loan or Federal Perkins Loan funds, the institution must notify the student or parent of (1) the anticipated date and amount of the disbursement, (2) the student’s or parent’s right to cancel all or a portion of that loan and have the loan proceeds returned to the U.S. Department of Education, and (3) the procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The institution must provide the notice in writing no earlier than 30 days before, and no later than 30 days after, crediting the student’s ledger account at the institution (Title 34, Code of Federal Regulations (CFR), Section 668.165).

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

The University of Texas at San Antonio (University) did not have documentation to show that it sent disbursement notification letters to 14 (33 percent) of 43 students tested. The University had an automated process to send disbursement notification letters to students and update its financial assistance system, Banner, on a weekly basis. However, it did not run that process for the 15,306 Spring term Direct Loan and Federal Perkins Loan disbursements totaling \$40,914,995 that occurred on December 30, 2016. In January 2017, the University discovered that its automated process to send notification letters did not run, and it asserted that it then ran a manual notification process. However, the University did not update the students’ records in Banner to show that it sent notification letters, and it was not able to provide documentation to support its manual run of the notification process. Not receiving notification letters could impair students’ ability to cancel the loans disbursed to their accounts.

The errors discussed above were associated with CFDA 84.268, Federal Direct Student Loans, P268K173294, and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable.

Other Compliance Requirements

Although the general controls weaknesses described below apply to activities allowed or unallowed, cash management, eligibility, reporting, special tests and provisions – verification, special tests and provisions – return of Title IV funds, special tests and provisions – enrollment reporting, special tests and provisions – borrower data transmission and reconciliation (direct loan), and special tests and provisions – institutional eligibility, auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions must establish and maintain effective internal control over federal awards 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 system, Banner. Specifically:

- One employee had inappropriate access to budget tables, default disbursement dates, and funding rules. That employee transferred from the financial aid office to a different department within the University, but the University did not modify that employee's access. After auditors brought that issue to the University's attention, the University removed that employee's user account.
- Four former employees had inappropriate access to Banner. The University locked those employees' user accounts within an appropriate time frame after they separated from the University; however, it did not perform its quarterly inactive user account review process (which removes user accounts after three months of inactivity) during two quarters of the year. Auditors verified that the former employees did not access Banner after they separated from the University.

Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system.

Recommendations:

The University should:

- Send and document disbursement notification letters within 30 days before or after crediting a student's ledger account with a Direct Loan or Federal Perkins Loan.
- Appropriately limit access to its student financial assistance system to current and key personnel.
- Appropriately limit access to its student financial assistance system based on user roles and current job responsibilities.

Views of Responsible Officials:

Disbursement Notification Letters

The University acknowledges and agrees with the findings. After reviewing the automated process that sends disbursement notification letters to students, the university discovered that the process was set up term specific. Because the spring disbursements took place before the end of the fall semester, the process did not generate the disbursement letters.

General Controls

The University acknowledges and agrees with the findings. The process for ensuring employees who transfer to a different department needs enhancement to ensure appropriate access is modified per the employee's new status. The university needs more individuals who can perform the quarterly inactive user account review process to ensure no delays when primary staff members are out for extended periods of time.

Corrective Action Plan:

Disbursement Notification Letters

The University will implement the correction by removing the term specific information from the automated process. With this change, the disbursement letters will generate for any disbursement within the allowed timeframe regardless of the term for which the disbursement assigned.

Implementation Date: December 22, 2017

Responsible Person: Lisa G. Blazer

General Controls

The University will create additional measures and develop a new process that involves the Banner Security team and the End User departments to ensure appropriate access is canceled and/or modified when an employee transfers to a new department. Additionally, the quarterly inactive user account review process will be enhanced, tracked and completed by appropriate Banner Security individuals and end users. Additional training will take place to ensure the process and timeline is completed in a timely manner.

Implementation Date: May 31, 2018

Responsible Person: Lisa G. Blazer

Summary Schedule of Prior Audit Findings

Federal Portion of
Statewide Single Audit Report

For the Year Ended August 31, 2017

Summary Schedule of Prior Year Audit Findings – Table of Contents

Prior Year Audit Findings – KPMG

Aging and Disability Services, Department of	394
Agriculture, Department of	395
Assistive and Rehabilitative Services, Department of	402
Comptroller of Public Accounts	405
Family and Protective Services, Department of	407
General Land Office	413
Governor, Office of	416
Health and Human Services Commission	418
Housing and Community Affairs, Texas Department of	441
Human Services, Department of	444
Public Safety, Department of	447
State Health Services, Department of	449
Texas Education Agency	455
Texas Higher Education Coordinating Board	458
Texas Workforce Commission	464
Transportation, Department of	465
University of Texas Medical Branch at Galveston	478

Federal Award Findings – Other Auditors

Angelo State University	479
Lamar University	482
Prairie View A&M University	485
Sam Houston State University	488
Stephen F. Austin State University	490
Sul Ross State University	494
Texas A&M AgriLife Research	497
Texas A&M Health Science Center	499
Texas A&M University	500
Texas A&M University – Central Texas	503
Texas A&M University – Corpus Christi	508
Texas A&M University – Kingsville	509
Texas Southern University	512
Texas State Technical College – Harlingen	525
Texas State Technical College – Marshall	527
Texas State University	530
Texas Tech University	532
Texas Tech University Health Sciences Center	535
Texas Woman’s University	545
University of Houston	556
University of North Texas	571
University of Texas at Arlington	575
University of Texas at Austin	582
University of Texas at Dallas	590
University of Texas at El Paso	599
University of Texas Health Science Center at Houston	611
University of Texas M.D. Anderson Cancer Center	619

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

University of Texas Medical Branch at Galveston	621
University of Texas of the Permian Basin	626
University of Texas Rio Grande Valley	628
University of Texas at San Antonio	643
University of Texas Southwestern Medical Center	646

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 2016 Schedule of Findings and Questioned Costs
- Each finding in the 2016 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, 2017 has been prepared to address these responsibilities.

Department of Aging and Disability Services

Reference No. 2016-001

Special Tests and Provisions – Provider Eligibility

(Prior Audit Issue – 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.

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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-001.

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 under OMB A-87 and funds from the 2016 SAE grant which are under Uniform Grant Guidance (UGG).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

Reference No. 2016-003

Allowable Costs/Cost Principles

Cash Management

Period of Performance

Procurement and Suspension and Debarment

Reporting

Subrecipient Monitoring

(Prior Audit Issue – 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 statutes, 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.

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-002.

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.

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.

Corrective Action CAMPS:

This finding was reissued as current year reference number 2017-002.

PATHS

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:

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.

2017 Update:

For the PATHS application, the remaining TDA developer' administrative access to the production environment was removed on August 29, 2017. In addition, 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 the PATHS database. 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 requires documentation of approval and testing steps, the risk of unauthorized changes to systems is increased. Finally, TDA did not perform a review of the PATHS application users to confirm appropriateness of access.

Views of Responsible Officials and Corrective Action Plan – 2017:

TDA has taken corrective steps to establish and implement an action plan to strengthen the IT controls. 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. All developer's access to production was successfully reviewed and removed by August 29, 2017.*

Policies will be reviewed and updated as necessary:

- 1. Software Configuration Management and Build Process for Applications policies will be reviewed and updated as necessary by March 2018, and*
- 2. Formalization and implementation of procedures for PATHS security access reviews, addressing administrative and operational access will be reviewed and updated as necessary by March 2018.*

Implementation Dates: All developer access to any applicable systems were reviewed and completed by August 29 2017.

*All configuration reviews and necessary changes will be completed by March 2018.
Periodic access reviews will be completed by March 2018.*

Responsible Persons: William Butch Grote and Tahjar Roamartinez

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:

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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 statues, 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))).

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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-035.

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).

Initial Year Written:	2016
Status:	Implemented
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.

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

COMPTROLLER OF PUBLIC ACCOUNTS

\$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.

Corrective Action:

Corrective action was taken.

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 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. 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.

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

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 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 approved cost allocation plan invalid.

Initial Year Written:	2016
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-005.

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

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 statues, 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)).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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 statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-006.

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

Initial Year Written:	2014
Status:	Partially Implemented

U.S. Department of Health and Human Services

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

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.

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.

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.

Views of Responsible Officials and Corrective Action Plan – 2017:

Accepted. The Department of Family and Protective Services (DFPS) Accounting and Contract Oversight and Support (COS) staff have reviewed the current policy and is establishing procedures for FFATA coordination and

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

reporting. DFPS is currently revising the process to update and maintain monthly FFATA reporting for applicable programs. DFPS will implement corrective action to eliminate the reporting backlog and bring the agency in compliance with FFATA requirements for Foster Care and all other applicable programs. See the corrective action plan below for further details.

In FY2018, the DFPS Accounting Department and COS began meeting frequently to ensure divisional collaboration and cross communication was in place to address the reporting backlog and ongoing maintenance of FFATA reporting. Coordination between the two divisions entails the following:

1. Identify the area of responsibility for reporting and obtain the necessary accesses to the FSRS reporting module. A Finance staff has been designated to have access to the FSRS reporting module and is responsible for entering and uploading FFATA reporting data.
2. Identify other programs, in addition to Foster Care, that are subject to monthly FFATA reporting. All programs administered by DFPS that are subject to monthly FFATA reporting will be identified along with related subrecipient contracts and subawards.
3. Identify the specific subrecipient contracts and corresponding subawards that have not been reported as required by the FFATA.
4. Develop documented procedures to collect and enter required FFATA reporting data for all applicable programs. This includes procedures for existing FFATA applicable programs as well as documented procedures to ensure newly implemented programs are reported.
5. Implement a process and deploy a standardized template to receive and compile the required reporting elements (i.e. DUNS number, CFDA number, award amount, etc.) for the applicable programs for FY2017 and prior fiscal years.
6. Educate and train Contract and Finance staff on FFATA as required per Title II part 170 of the Code of Federal Regulations (CFR) and as to their specific duties required to complete FFATA reporting. This is scheduled to be completed by March 2018.
7. Enter the required reporting elements for applicable FY2018 contract awards into FSRS. This is scheduled to be current by March 2018.
8. Enter the required reporting elements for applicable contract awards for fiscal years prior to FY2018 into FSRS. This is scheduled to be completed by May 2018.

By completing the corrective action plan as outlined will ensure the FFATA reporting is current and bring the agency into compliance with Title II part 25 of the CFR as of June 1, 2018. Sufficient documentation will be maintained as proof of compliance.

Implementation Date: June 1, 2018

Responsible Person: Kristen Norris

General Land Office

Reference No. 2016-011

Subrecipient Monitoring

Special Tests and Provisions – Wage Rate Requirements

(Prior Audit Issues – 2015-009, 2014-005, and 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.

Initial Year Written: 2013
 Status: Partially Implemented

 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.

Monitoring

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.

Corrective Action – Monitoring:

Corrective action was taken.

TRecS IT

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.

Corrective Action – TrecS IT:

This finding was reissued as current year reference number 2017-008.

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 statutes, 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.

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

Health and Human Services Commission

Reference No. 2016-014

Eligibility

(Prior Audit Issue – 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).

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 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

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.

Corrective Action:

This finding was reissued as current year reference number 2017-011.

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.

Initial Year Written:	2007
Status:	Implemented
U.S. Department of Health and Human Services	

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.

Corrective Action:

Corrective action was taken.

HEALTH AND HUMAN SERVICES COMMISSION

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 statues, 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.

Initial Year Written:	2014
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 \$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.

Corrective Action:

This finding was reissued as current year reference number 2017-010.

Reference No. 2016-017

Program Income

(Prior Audit Issues – 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 statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Initial Year Written:	2014
Status:	Partially Implemented
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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-012.

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.

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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-013.

HEALTH AND HUMAN SERVICES COMMISSION

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.

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-014.

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.

Initial Year Written: 2015
Status: Partially Implemented

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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-015.

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

Initial Year Written: 2013
Status: Partially Implemented

U.S. Department of Health and Human Services

contracts or grant agreements that could have a material effect on each of its Federal programs.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-016.

Reference No. 2016-022

Eligibility

(Prior Audit Issue – 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

Initial Year Written:	2015
Status:	Partially Implemented
U.S. Department of Health and Human Services	

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.

<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.

Corrective Action:

This finding was reissued as current year reference number 2017-018.

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 statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Initial Year Written:	2016
Status:	Partially Implemented
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.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-020.

HEALTH AND HUMAN SERVICES COMMISSION

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 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 approval cost allocation plan invalid.

Initial Year Written: 2016
Status: Partially Implemented

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.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-009.

Reference No. 2015-018

Special Tests and Provisions – EBT Card Security

(Prior Audit Issues – 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	

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.

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.

2017 Update:

Based on a review of all access to both systems in 2017, 8 employees were noted to have access to both dispose cases in the eligibility system and to issue cards in the EBT card issuance system.

Views of Responsible Officials and Corrective Action Plan – 2017:

Accepted. In February 2017, Eligibility Operations phased out the process to obtain approval for high risk role combinations and provided updated instructions to eligibility staff requesting TIERS disposition and/or EBT card issuance access to prevent high risk role combinations. In addition, the TIERS role used by OIG staff was modified to remove the case disposition function and resolve the high risk role combination. This was done in lieu of developing a new EBT role for OIG staff.

Effective December 2017, Eligibility Operations implemented a new monthly reporting process to identify staff with high risk role combinations. Eligibility Operations will monitor report findings to identify and address issues with staff not adhering to the process. Eligibility Operations will redistribute the memorandum for process to prevent high risk role combinations and require that regional management review requirements with supervisory staff.

HEALTH AND HUMAN SERVICES COMMISSION

Implementation Dates: Redistribution of Process: February 2018
Supervisory Staff Review of Process: March 2018

Responsible Person: Todd Byrnes

**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 Issues – 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

HEALTH AND HUMAN SERVICES COMMISSION

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

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

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.

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.
 - 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.

HEALTH AND HUMAN SERVICES COMMISSION

- 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
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

HEALTH AND HUMAN SERVICES COMMISSION

CFDA Number	Program Name	Non-State Entities Amount
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
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

HEALTH AND HUMAN SERVICES COMMISSION

CFDA Number	Program Name	Non-State Entities Amount
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)	66,330
	Total	<u><u>\$684,553,152</u></u>

Corrective Action:

This finding was reissued as current year reference number 2017-026.

**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.

Initial Year Written: 2015
Status: Partially Implemented

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)

HEALTH AND HUMAN SERVICES COMMISSION

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 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.

HEALTH AND HUMAN SERVICES COMMISSION

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.

Corrective Action:

This finding was reissued as current year reference number 2017-023.

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 statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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 \$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.

Corrective Action:

This finding was reissued as current year reference number 2017-024.

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.

Initial Year Written: 2016
Status: Partially Implemented

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 – 2016:

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 – 2016:

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

Update 2017:

TDHCA has implemented a temporary solution as a stop gap measure. However, the permanent solution to develop and implement a household level data system for the LIHEAP grant is currently in progress and is expected to be go live in September 2019

Views of Responsible Officials – 2017:

TDHCA has implemented a temporary solution as a stop gap measure. See the corrective action plan below.

Corrective Action Plan – 2017:

During the 2017 Legislative Appropriations process, TDHCA was approved to develop and implement a household level data system for the LIHEAP grant by September 2019. Prior to the development of the new system, TDHCA has implemented a temporary solution as a stop gap measure. Since February 2016 TDHCA has captured household level data from LIHEAP Subrecipients in order to provide the backup/supporting documentation necessary for reporting purposes

*Implementation Dates: February 2016 – Temporary solution
September 2019 – Implement a household level data system*

Responsible Person: Cathy Collingsworth

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:	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.

Corrective Action:

Corrective action was taken.

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.

Views of Responsible Officials and Corrective Action Plan – 2017:

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 November 15, 2017, a total of \$724,790.99 in principal has been collected. The remaining balance is \$408,610.87

Implementation Date: Ongoing

Responsible Person: Valerie Pacheco

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.

Initial Year Written: 2015
 Status: Partially Implemented

 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:

Disaster Number	Award Number	Disaster Declaration Date
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
3363	3363EMTXP00000001	April 19, 2013

PUBLIC SAFETY, DEPARTMENT OF

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
4029	4029DRTXP00000001	September 9, 2011
4223	4223DRTXP00000001	May 29, 2015
4245	4245DRTXP00000001	November 25, 2015
4255	4255DRTXP00000001	February 9, 2016
4266	4266DRTXP00000001	March 19, 2016
4269	4269DRTXP00000001	April 25, 2016
4272	4272DRTXP00000001	June 11, 2016

Corrective Action:

This finding was reissued as current year reference number 2017-027.

Department of State Health Services

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)).

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-029.

STATE HEALTH SERVICES, DEPARTMENT OF

Reference No. 2016-031

Allowable Costs/Cost Principles

(Prior Audit Issues – 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
- 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 Quitline Capacity – Funded in Part by Prevention and Public Health Funds (PPHF)
- 93.752 – Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds
- 93.757 – State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)
- 93.758 – Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)
- 93.777 – State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
- 93.815 – 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 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 which include:

Initial Year Written: 2013
 Status: Partially Implemented

 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.

Corrective Action:

This finding was reissued as current year reference number 2017-030.

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.

Initial Year Written:	2015
Status:	Partially Implemented
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 statues, 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.

STATE HEALTH SERVICES, DEPARTMENT OF

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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-022.

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).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

STATE HEALTH SERVICES, DEPARTMENT OF

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 statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Initial Year Written:	2015
Status:	Implemented
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 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.

Corrective Action:

Corrective action was taken.

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, and 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.

Initial Year Written:	2013
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-032.

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.

Initial Year Written:	2016
Status:	Partially Implemented
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 – 2016:

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 – 2016:

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.

2017 Update:

TEA did not implement a control to monitor the completeness and accuracy of the information input into NGS by the ESCs for PFS eligibility. The monitoring of program records for children who were identified as priority and provided MEP services has been implemented.

Views of Responsible Officials – 2017:

Accepted. The Texas Education Agency (TEA) 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 – 2017:

TEA implemented a control to monitor the completeness and accuracy of the information input into NGS by the Education Service Centers (ESCs) for Priority For Service (PFS) eligibility subsequent to the audit. The monitoring of program records for children who were identified as priority and provided Migrant Education Program (MEP) services has been implemented. TEA has begun the implementation of additional monitoring procedures for the ESCs by requesting that each ESC submit to TEA a random sample of PFS student list with supporting documentation from LEAs on a quarterly basis. TEA will request New Generation System (NGS) data to verify the criteria for PFS is met for each child selected. In addition, TEA has implemented 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: September 2017

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.

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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 statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Initial Year Written:	2016
Status:	Partially Implemented
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).

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.

Corrective Action:

This finding was reissued as current year reference number 2017-033.

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.

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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 Issues – 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.

Initial Year Written:	2013
Status:	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 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.

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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 statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Initial Year Written:	2016
Status:	Partially Implemented
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 – 2016

Views of Responsible Officials – 2016:

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 – 2016:

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.

Update 2017 SF-425 Financial Reports:

Audit procedures involved a review of five SF-425 reports submitted during fiscal year 2017, two of which were for closed grants. For the two closed grants tested, 2 out of 10 cumulative match amounts per project did not agree to the final Requests for Reimbursements from subrecipients, which is how the match amounts are manually tracked by TxDOT for SF-425 reporting. In both cases the match amounts were keyed in wrong on the SF-425 spreadsheet, and in both cases the match amounts were under-reported, therefore total match was still met. It was noted that there was a review done by someone other than the preparer for all five reports tested, however, this review does not appear to be at a sufficient level of detail based on the manual errors noted above.

Views of Responsible Officials – 2017:

Accepted. PTN has implemented significant process and review procedures to reduce in the SF-425. The under-reporting of match does not affect the overall grant reimbursement amount. PTN is rapidly moving all grants to an

eGrants system which does not rely on manual tracking of reimbursement amounts, which reduces the risk of under reporting of match. PTN will review and modify management review of data procedures as appropriate.

Corrective Action Plan – 2017:

Review data verification procedures and identify changes, if any, to address the issue.

Implementation Date: March 1, 2018

Responsible Person: Mark Sprick

National Transit Data (NTD) Report – 2016

Views of Responsible Officials – 2016:

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 – 2016:

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.

Update 2017 National Transit Data (NTD) Report:

Audit procedures involved a review of five NTD reports submitted in January 2017 for Federal Fiscal Year 2016. No exceptions were noted when testing the key line items noted above for this report. However, for these reports submitted in January 2017 the new review policy noted above was not yet in place. Therefore, no control over the submission of this report could be tested.

Views of Responsible Officials – 2017:

PTN implemented the new policy during the third quarter, FY2017, in which the Public Transportation Coordinators (PTCs) reviewed the PTN-128 data submitted by subrecipients. These reviews are coordinated between the PTCs and the NTD Planner at PTN division headquarters in Austin for each quarter before the NTD report is submitted by January 31st each year.

Corrective Action Plan – 2017:

The quarterly PTN-128 reviews occurred in FY2017. The data from these reviews will be tabulated for the NTD report to be reviewed by the Planning and Reporting Team Leader and the Section Director for Administration and Program support on January 30, 2018. After this successful review, the NTD Planner will submit the NTD report to the FTA on January 31, 2018. Routine iterative reviews and reconciliations will occur between FTA and PTN through July 2018

Implementation Date: July 31, 2018

Responsible Person: Mark Sprick

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.

2017 Update:

Developer administrative access to SiteManager application was removed as of January 11, 2017. The developer and other inappropriate access to the SiteManager production servers was removed as of December 10, 2016.

Views of Responsible Officials and Corrective Action Plan – 2017:

Accepted. As noted, Information Management Division removed the SiteManager's programmer's access to the SiteManager application on January 11, 2017. The Information Management Division continues to execute the Release and Deployment Management process for separating personnel who perform quality assurance testing from personnel who perform application migrations to production. Corrective action is already in place. As noted, Information Management Division removed inappropriate access to SiteManager servers on December 10, 2016. The Information Management Division has implemented a Server Access Review process in which the administrative access to all servers is reviewed and confirmed on annual basis.

Implementation Date: Currently Implemented

Responsible Person: Kevin Wagner

Reference No. 2015-047

Subrecipient Monitoring

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

Highway Planning and Construction Cluster

Award year – See below

Award number – See below

Type of finding – Significant Deficiency and Non-Compliance

Monitoring

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

Initial Year Written:	2008
Status:	Implemented
U.S. Department of Transportation – Federal Highway Administration	

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

- TxDOT does not complete a risk assessment for the local governments receiving Highway Planning and Construction Cluster funds. Based upon TxDOT’s organizational structure and assigned responsibilities, site visits of subrecipient projects are the responsibility of each of the 25 districts. Site visits are based on the judgment of the assigned individuals at the district and/or area offices. Therefore, some districts do not have written procedures to determine which projects are of higher risk, how to address the higher risk such as a site visit, or how the districts consistently track which subrecipients have had an onsite review. Currently the majority of the onsite visits are for construction contracts. There is no documentation as to the risk ranking for non-construction contracts such as professional service or materials only contracts.
- TxDOT’s policy for conducting onsite reviews is for the contract specialists or other assigned personnel at the district or area office to conduct the review. Based on this policy, TxDOT is unable to assert that all the reviews were conducted in accordance with policy and proper follow up/communication to the subrecipients occurred. For example, one of 40 subawards tested did not have the onsite monitoring section completed for the required wage rate review.
- District polices for approval and/or review of the requests for reimbursement are not consistent. One district visited has a policy for area personnel to submit requests for reimbursement to a district level coordinator who performs a precise review of the request prior to forwarding for payment. The other four districts reviews could be performed at the area level or the district level and the level of precision is insufficient to conclude the costs are allowable.

- District polices for approval and/or review of the final inspection of the project prior to approval and reimbursement of the invoice from the subrecipient for the final contractor invoice are not consistent. One district visited has a policy for area personnel to submit final requests for reimbursement to a district level coordinator who performs a precise review of the request prior to forwarding for payment. The other two districts reviews could be performed at the area level or the district level and the level of precision is insufficient to conclude the costs are allowable. Only three districts in the sample had subrecipients selected that closed out in the 2015 fiscal year.

Corrective Action:

Corrective action was taken.

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.

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

TRANSPORTATION, DEPARTMENT OF

<u>Award Number</u>	<u>Award Year</u>	<u>Award Number</u>	<u>Award Year</u>
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

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.

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.

2017 Update:

Testwork included review of wage labor interviews for 10 different projects in various counties conducted in the fourth quarter of 2016 and first quarter of 2017. No exceptions were noted with this testwork. However, the wage labor interviews do not ensure the timely submission and tracking of the certified payrolls by the contractors. While LCPtracker was launched in January 2017, it was not required to be used until August 2017, therefore it was not tested in 2017. Therefore no control was found for the timely submission and tracking of certified payrolls.

Views of Responsible Officials and Corrective Action Plan – 2017:

LCP Tracker was launched in January 2017, and its use is a requirement for all construction projects let beginning August 2017. The system includes automated notifications for recordkeepers tracking certified payrolls when contractors are non-compliant providing a control to ensure their timely submission. Until collection of certified payrolls for all active construction contracts is accomplished using LCPTracker, Construction Division staff will continue to conduct QA audits of recorded wage labor interviews on 10% of projects not included in LCPTracker that are 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.

Implementation Date: August 2017

Responsible Person: Gina Gallegos

Reference No. 2015-050

Special Tests and Provisions – Quality Assurance Program

(Prior Audit Issues – 2014-138, 2013-161, 13-138, 12-146, 11-146, 10-87, and 09-81)

Highway Planning and Construction Cluster

Award year – 2012

Award number – STP 2012(453)

Type of finding – Significant Deficiency and Non-Compliance

A State Department of Transportation must have a quality assurance (QA) program, approved by Federal Highway Administration (FHWA), for construction projects on the National Highway System (NHS) to ensure that materials and workmanship conform to approved plans and specifications. Verification sampling must be performed by qualified testing personnel employed by the State Department of Transportation, or by its designated agent, excluding the contractor (23 CFR sections 637.201, 637.205, and 637.207). The Texas Department of Transportation (TxDOT) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written:	2008
Status:	Partially Implemented
U.S. Department of Transportation – Federal Highway Administration	

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 – 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.

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 – 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.

2017 Update:

Developer administrative access to SiteManager application was removed as of January 11, 2017. The developer and other inappropriate access to the SiteManager production servers was removed as of December 10, 2016.

Views of Responsible Officials and Corrective Action Plan – 2017:

Accepted. As noted, Information Management Division removed the SiteManager's programmer's access to the SiteManager application on January 11, 2017. The Information Management Division continues to execute the Release and Deployment Management process for separating personnel who perform quality assurance testing from personnel who perform application migrations to production. Corrective action is already in place. As noted, Information Management Division removed inappropriate access to SiteManager servers on December 10, 2016. The

Information Management Division has implemented a Server Access Review process in which the administrative access to all servers is reviewed and confirmed on annual basis.

Implementation Date: Currently Implemented

Responsible Person: Kevin Wagner

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:

Initial Year Written:	2016
Status:	Partially Implemented
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 test work.

Corrective Action:

This finding was reissued as current year reference number 2017-040.

Summary Schedule of Prior Year Audit Findings – Other Auditors

Federal regulations Title 2, Code of Federal Regulations, Section 200.511(a) states, “the auditee is responsible for follow-up an corrective action on all findings.” As part of this responsibility, the auditee reports the corrective action it has taken for the following:

- Each finding in the 2016 Schedule of Findings and Questioned Costs.
- Each finding in the 2016 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, 2017) 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 1087ll).

Initial Year Written: 2011
Status: Partially Implemented

U.S. Department of Education
U.S. Department of Health and Human Services

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Report (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 673.5, 673.6, and 682.603).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

Angelo State University (University) uses full-time COA budgets to determine COA for all students receiving financial assistance, regardless of each student’s actual or expected enrollment. As a result, for 4 (6.2 percent) of 65 students tested, the University based the students’ COA on full-time enrollment, although the students indicated that they would attend less than full-time. Using a full-time COA budget to estimate COA for students who attend less than full-time increases the risk of awarding financial assistance that exceeds financial need.

Because the University developed only full-time COA budgets to determine COA, auditors could not determine whether the students in the sample tested who were attending less than full-time were awarded financial assistance that exceeded their financial need for the 2010-2011 school year.

Recommendation:

The University should determine each student's COA and financial need based on the student's expected or actual enrollment.

Views of Responsible Officials and Corrective Action Plan 2011:

Management concurs with recommendations related to determination of eligibility for financial assistance specifically related to Cost of Attendance. Angelo State University will continue the practice of initially packaging student assistance based on projected fulltime enrollment. Manual procedures to subsequently update COA based on actual attendance will be implemented. Specifically, following the census date for fall or spring semester, Information Technology will provide a report to the Director of Financial Aid containing a list of students that are enrolled less than 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.

Views of Responsible Officials and Corrective Action Plan 2017:

In the Banner Financial Aid system, Algorithmic Budgeting was implemented, which will automatically adjust a student's budget if their hours change. The Consortium Agreement documentation will be reviewed and clarified regarding the policy and procedure for adjusting COA.

Implementation Date: September 1, 2017

Responsible Person: Ed Kerestly

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)).

Initial Year Written:	2016
Status:	Partially Implemented
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 and Corrective Action Plan 2016:

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.

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.

Views of Responsible Officials and Corrective Action Plan 2017:

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. With the new hire of a Student Records Specialist, every report is worked diligently and in a timely manner to correct errors and ensure that all information is reported accurately and efficiently.

1. *As the discrepancy between NSC and NSLDS reporting became apparent, the new Student Records Specialist now has direct access to the NSLDS database as well – allowing LU to more closely monitor the accuracy of reporting.*

2. *The Financial Aid Office is working in collaboration with the Student Record Specialist to ensure the timely reporting of financial aid recipients who withdraw.*

- a. *Official Withdrawals*

- When the Financial Aid Office completes the R2T4 calculation on a Title IV aid recipient, the Student Record Specialist is notified to ensure the student's enrollment status is updated with NSLDS in a timely manner.*

- b. *Unofficial Withdrawals*

- After each long semester has concluded the Financial Aid Office sends the Student Records Specialist a list of students whom have been identified as unofficial withdrawals. The Student Record Specialist manually updates the identified students' NSLDS record to withdrawn, using the last date of attendance reported as the withdrawal date. Reporting is completed as soon as possible but no later than 45 days after the school has determined the student withdrew.*

3. *Designated Staff from the Records and Financial Aid Offices will continue to participate in trainings offered by NSC and NSLDS.*

4. *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 is now sent five to seven (5-7) days from the time the report is initially submitted to NSC. This addresses the timeliness issues and gives more time to quickly identify issues of accuracy.*

Development and Implementation of Policy and Procedure:

LU has reviewed their policy and procedure manuals to reflect and emphasize the need for closer monitoring of NSC data submitted to NSLDS. Policies and Procedures will undergo review twice a year. During this review LU will address internal compliance findings which may result in the revision and/or creation of new policies and procedures to correct the deficiency.

Implementation Date: Summer 2017

Responsible Persons: Cheri Lewis and Lakyrstal Joubert

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:	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.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-103.

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).

Initial Year Written: 2016
 Status: Implemented

 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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written: 2016
 Status: Implemented

 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.

Corrective Action:

Corrective action was taken.

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*).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	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 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.

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:	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.

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:	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.

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

TEXAS A&M AGRILIFE RESEARCH

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
66.460	Nonpoint Source Implementation Grants	582-10-90468	May 12, 2010 to August 13, 2014
98.001	USAID Foreign Assistance for Programs Overseas	696-A-00-06-00157-00	September 1, 2006 to June 27, 2012

Recommendation:

AgrLife should improve its closeout process to ensure that it closes grant accounts in its accounting system within the required 90-day closeout period.

Views of Responsible Officials and Corrective Action Plan 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.

Views of Responsible Officials and Corrective Action Plan 2017:

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. None of the charges that resulted in this audit finding were billed to the sponsor.

A closeout module has been designed in the research information system, Maestro. The closeout module was implemented in August 2017. This new module will automate some processes and provide greater visibility into pending project closeouts. It will also increase the ability to monitor closeout timeliness across the organization.

Implementation Date: *November 1, 2017*

Responsible Person: *Evan Bryant*

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:	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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-111.

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:	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.

TEXAS A&M UNIVERSITY

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>
12.335	Navy Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance	N68936-12-C-0022	December 6, 2012 to September 17, 2014
12.431	Basic Scientific Research	W911NF-12-C-0104	September 25, 2012 to March 24, 2013
47.075	Social, Behavioral, and Economic Sciences	BCS-1147828	February 15, 2012 to January 31, 2014
81.000	Department of Energy	DE-AC52-07NA27344	September 6, 2013 to October 31, 2014
81.000	Department of Energy	STANDARD PURCHASE ORDER: 1271025	August 1, 2012 to May 31, 2015
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

Corrective Action:

Corrective action was taken.

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:	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.

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.

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.

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.

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.

Views of Responsible Officials and Corrective Action Plan 2017:

Texas A&M University-Central Texas has implemented the following actions previously outlined in the “Views of Responsible Officials and Corrective Action Plan” section:

- Campus Logic (verification software) was implemented in June 2017 to promote and support verification compliance processing through electronic submission and reviews.
- 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 2018

Responsible Person: Irene Montalvo

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.

Corrective Action:

Corrective action was taken.

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:	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.

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.

Views of Responsible Officials and Corrective Action Plan 2017:

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. Census date reviews are conducted each term to determine if a student's financial aid eligibility is reflective of the student's enrollment status. This is especially true of mixed enrollments during the award year. 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, and continue to be adjusted according to mixed enrollment.

Implementation Date: March 1, 2017

Responsible Person: Arnold Trejo

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).

Initial Year Written:	2016
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 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.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-119.

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.

Corrective Action:

Corrective action was taken.

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 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).

Initial Year Written:	2016
Status:	Partially Implemented
U.S. Department of Education	

When the verification of a student’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the 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.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-120.

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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2016
Status:	Partially Implemented
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.

Corrective Action:

Corrective action was taken.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-119.

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)).

Initial Year Written:	2016
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 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.

Corrective Action:

Corrective action was taken.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-119.

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)).

Initial Year Written:	2016
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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-121.

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*).

Initial Year Written:	2016
Status:	Partially Implemented
U.S. Department of Education	

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*).

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.

Corrective Action:

Corrective action was taken.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-119.

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:	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.

Corrective Action:

Corrective action was taken.

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.

Views of Responsible Officials and Corrective Action Plan 2017:

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. The College worked with programming staff to create a process to remove the housing and personal expense budget components from the cost of attendance for students who are enrolled less than half time.

The audit that was conducted did not identify any students with incorrect cost of attendance calculations. However, one student was identified as being over-awarded – because the cost of attendance was changed due to less than full-time enrollment. The recalculation was performed after initial funds were disbursed.

The College is developing new procedures to prevent re-occurrence of this issue. New reports have been created and will be thoroughly tested during the Spring 2018 semester. We do not anticipate the need for additional programming, but will submit a request for it if necessary. If so, the implementation date listed below would change to May 2018.

Implementation Date: January 2018

Responsible Person: Susan Wingate

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*).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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*)).

Initial Year Written:	2013
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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*)).

Initial Year Written:	2008
Status:	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 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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2016
Status:	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, 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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2016
Status:	Partially Implemented
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.

Recommendation:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

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.

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.

Views of Responsible Officials and Corrective Action Plan 2017:

We have aligned our ISIR importing and Transfer Monitoring processes. This alignment places the Transfer Monitoring flag and NSLDS file processing directly after the ISIR load processes. The timing keeps federal funds from disbursing until after the seven day hold has been resolved. In addition, as ISIR data is loaded into Banner, it continues to be reviewed for aggregate loan flags as well as C-Flags issues. Identified issues prevent the file from further processing until these issues are resolved.

Implementation Date: October 2017

Responsible Person: Fabian Vasquez

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Partially Implemented
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.

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.

Views of Responsible Officials and Corrective Action Plan 2016:

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.

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.

Views of Responsible Officials and Corrective Action Plan 2017:

The Texas Tech University Health Sciences Center's Financial Aid Office has revised R2T4 processes. The revised process begins with an initial review and the appropriate calculations being performed and the file forwarded for the secondary review. The secondary review is done by a senior processor who verifies the calculations and signs off on the file. The final step involves reviewing a new COGNOS report to verify that all files have been reviewed and processed as required. This addresses any lapses regarding timelines and the completeness of the processes.

Implementation Date: November 2016

Responsible Persons: Mia Myers and Lena Hooker

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Partially Implemented
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.

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.

Views of Responsible Officials and Corrective Action Plan 2016:

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.

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.

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.

Views of Responsible Officials and Corrective Action Plan 2017:

Clearinghouse reporting procedures have been modified to run once every 30 days to ensure all student status changes are reported correctly and in a timely manner. Additional edit reports are being generated for the Director of Enrollment Services to review and update prior to CH reports being submitted. An alert report has been created to notify personnel when a time status has changed. This data can also be used to trigger a review of NSLDS data for accuracy.

Term set up procedures have been added that strengthen the controls for SFATMST in Banner. This table controls credit hour requirements based on enrollment levels. This form will be set up each term manually and will be reviewed for accuracy at the time of set up.

Implementation Date: September 2017

Responsible Persons: Tamara Krauser, Mike Carpenter and Amanda McSween

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.

Corrective Action:

Corrective action was taken.

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 1087ll).

Initial Year Written:	2016
Status:	Partially Implemented
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.

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.

Corrective Action:

This finding was reissued as current year reference number 2017-125.

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.

Corrective Action:

Correction action was taken.

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).

Initial Year Written:	2016
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).

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.

Corrective Action:

This finding was reissued as current year reference number 2017-126.

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)).

Initial Year Written: 2016
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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-128.

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 include Federal Pell Grant-only recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Initial Year Written:	2016
Status:	Partially Implemented
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).

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.

Corrective Action:

This finding was reissued as current year reference number 2017-129.

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*).

Initial Year Written: 2016
Status: Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-130.

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

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)).

Initial Year Written:	2015
Status:	Partially Implemented
U.S. Department of Education	

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.

Corrective Action:

This finding was reissued as current year reference number 2017-131.

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 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.

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.

Corrective Action:

Corrective action was taken.

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,

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-132.

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.

Corrective Action:

Corrective action was taken.

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)).

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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-133.

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2006
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-134.

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.

Corrective Action:

Corrective action was taken.

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)).

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.

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	

- 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
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

UNIVERSITY OF HOUSTON

CFDA No.	CFDA Title	Award Number	Award Year
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
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

UNIVERSITY OF HOUSTON

CFDA No.	CFDA Title	Award Number	Award Year
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	1,276
			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.

Views of Responsible Officials and Corrective Action Plan 2017:

Payroll Expenditures

The UH policy regarding certification are the following:

- *OCG guidance on cost transfer: <http://www.uh.edu/research/sponsored-projects/proc-pol-guide/cost-transfers/>*
- *University Manual of administrative policies and procedures - Expenditure Reallocation and Correction <http://www.uh.edu/af/universityservices/policies/mapp/05/050203.pdf>*

- *Effort reporting guidelines <http://www.uh.edu/research/compliance/effort-reporting/effort-reporting-guidelines/>*

The University of Houston has published its effort reporting policy to show the quarterly certifications periods and the time frame for completing certification. The policy establishes that certification should be completed 150 after the end of each reporting period.

This is in keeping with related cost transfer policies that provide for 90 days after the end of each month to complete any expenditure corrections. The exception to the 90 days correction period are for awards terminating during the reporting period. Close out policy dictates that UH submit all final reports to the sponsoring agency within 90-120 days after the award expiration. Therefore, awards that have expired during a reporting cycle will be reviewed and dealt with separately.

After the correction period (90 days), OCG assemble the payroll data into effort reports in the MAXIMUS system and releases the forms to the department reviewer before they are sent out to principal investigators for certification. The PI should complete their review and certification within 30 calendar days of the date they receive the system notification that the reports are available.

The policy takes into account any corrections the PI may determine necessary during certification. As a means of internal control, it is the university's policy to officially correct the payroll record before certification can be completed in order to avoid instances where a certified record is not consistent with official payroll records.

Payroll Salary Restrictions

The effort reporting guidelines have been updated to ensure that when two caps exist in a reporting period both caps are considered when calculating the amount that is charged to the federal grant for effort reporting.

Since the salary cap was changed again in FY 2017. UH has updated the excel salary cap calculator for quarter 2 calculation (December 2016 – February 2017) to ensure that the calculation of the effort takes into consideration the change in the salary cap in January 8, 2017 to \$187,000.00 from \$185,100.00 in January 7, 2017.

Implementation Date: September 30, 2017

Responsible Persons: Beverly Rymer and Grace Rosanes

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).

Initial Year Written:	2016
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, 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.

Corrective Action:

This finding was reissued as current year reference number 2017-135.

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)).

Initial Year Written: 2016
 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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-136.

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)).

Initial Year Written:	2015
Status:	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 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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Partially Implemented
U.S. 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.

Corrective Action:

This finding was reissued as current year reference number 2017-137.

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 1087ll).

Initial Year Written:	2011
Status:	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 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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2014
Status:	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 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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2013
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-141.

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)).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Implemented
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.

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.

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:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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

UNIVERSITY OF TEXAS AT AUSTIN

CFDA No.	CFDA Title	Award Number	Award Year
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
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.

Views of Responsible Officials and Corrective Action Plan 2017:

Along with, Internal Audit, the Information Security Office, Purchasing and the Compliance Office, members of Accounting and Financial management have convened a work group that is in the process of identifying several significant changes to the way Inventory operates at the University of Texas. Specifically, we have engaged these offices to create a comprehensive mandatory training program and update of procedures.

With the announcement of a significant delay in the implementation of Workday financials the team is looking at additional ways to reengineer processes in the near term.

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
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
12910	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.

Views of Responsible Officials and Corrective Action Plan 2017:

The University will continue to improve its processes to ensure documents are processed during the project closeout period.

Implementation Date: January 2016

Responsible Person: David G. Dockwiller

Reference No. 2015-136

Reporting

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Reporting Standard Form (SF-425) to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions and requirements of key reporting elements.

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

Initial Year Written:	2015
Status:	Implemented
National Aeronautics and Space Administration	
Nuclear Regulatory Commission	
U.S. Department of Defense	
U.S. Department of Energy	

SF-425 report using an outdated form that did not report indirect costs on a cumulative basis. Therefore, additional SF-425 reports that the automated system generated also would have been reported on an outdated form and may not have been complete, depending on federal agency reporting requirements. While the University did not report indirect costs on a cumulative basis, it specified on the financial reports that the indirect costs pertained to the period for which it was reporting; therefore, the University submitted factually correct financial reports.

While the University reviews all of its financial reports prior to submitting them, that review was not sufficient to ensure that the financial reports were accurate and complete. Submitting inaccurate reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor their awards.

The issues discussed above related to the reporting of indirect costs affected the following awards:

CFDA No.	CFDA Title	Award Number	Award Year
12.351	Basic Scientific Research – Combating Weapons of Mass Destruction	HDTRA1-12-1-0018	May 7, 2012 to August 31, 2016
12.351	Basic Scientific Research – Combating Weapons of Mass Destruction	HDTRA-1-13-1-0031	January 14, 2013 to August 13, 2015
12.351	Basic Scientific Research – Combating Weapons of Mass Destruction	HDTRA1-11-1-0005	August 8, 2011 to August 7, 2016
12.910	Research and Technology Development	FA8650-11-1-7159, P03	September 7, 2011 to June 15, 2015
12.910	Research and Technology Development	N66001-14-2-4051; UTA14-001109	September 1, 2014 to December 31, 2015
43.001	Science	NNX11AE42G	June 1, 2011 to May 31, 2015
77.008	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	NRC-HQ-13-G-38- 0029	August 1, 2013 to July 31, 2017
81.086	Conservation Research and Development	DE-EE0005763/0004	September 1, 2013 to November 30, 2016
81.089	Fossil Energy Research and Development	DE-FE0023919/ 0002	October 1, 2014 to September 30, 2018

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Partially Implemented
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 and Corrective Action Plan 2016:

The University acknowledges and agrees with the enrollment reporting finding and recommendation.

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

Views of Responsible Officials and Corrective Action Plan 2017:

The University acknowledges and agrees with the enrollment reporting finding and recommendation.

The University will increase the frequency of enrollment reporting to National Student Clearinghouse (NSC) to ensure exceptions in processing are reported within the appropriate timeframe to National Student Loan Data System (NSLDS).

Implementation Date: October 2017

Responsible Person: Jennifer McDowell

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: 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

UNIVERSITY OF TEXAS AT DALLAS

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

UNIVERSITY OF TEXAS AT DALLAS

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Costs</u>
93.173	Research Related to Deafness and Communication Disorders	300255 (the University received the funds as a pass-through from MGH Institute of Health Professions)	December 1, 2013 to November 30, 2015	0
93.310	Trans-NIH Research Support	1 DP2 HD080349	September 30, 2013 to August 31, 2018	0
Total Questioned Costs				<u>\$ 28</u>

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:	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.

The following awards were affected by the issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
12.420	Military Medical Research and Development	W81XWH-11-2-0194	September 30, 2011 to October 29, 2015
12.420	Military Medical Research and Development	W81XWH-11-2-0195	September 30, 2011 to October 29, 2015

Cash Management

A state must minimize the time between the drawdown of federal funds from the federal government and the disbursement of those funds for federal program purposes. The timing and amount of funds transfers must be as close as is administratively feasible to a state’s actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs (Title 31, CFR, Section 205.33(a)).

To minimize the time between drawdown of federal funds and disbursement, the University operates on a reimbursement basis under which it bases its drawdowns of federal funds only on expended amounts.

The University did not always minimize the time between the drawdown of federal funds and the disbursement of those funds. Specifically, for 3 (8 percent) of 40 drawdowns tested, the University either (1) did not have sufficient support to demonstrate that it followed its draw process or (2) drew down funds that were not supported by paid expenditures. Specifically:

- The University did not have sufficient documented support for the amounts it requested for two of those drawdowns. The University requested a total of \$44,090 in those two drawdowns that was not supported by paid expenditures. Therefore, that amount was considered questioned costs.
- The University requested and drew down \$28,815 more than the paid expenditures recorded in its financial system, PeopleSoft, for one of those drawdowns. However, the University subsequently identified that error and reduced the amount of two subsequent drawdowns, which it processed 8 days and 49 days after the initial drawdown. Therefore, those funds were not considered questioned costs.

Those errors occurred because the University did not document its review and approval of drawdowns and reimbursement requests prior to submitting them to the appropriate federal agency or pass-through entity.

The following awards were affected by the issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Costs
12.300	Basic and Applied Scientific Research	N00014-14-1-0030	November 1, 2013 to October 31, 2016	\$ 0

UNIVERSITY OF TEXAS AT DALLAS

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Costs
12.800	Air Force Defense Research Sciences Program	FA9550-12-1-0082	April 1, 2012 to September 30, 2015	32,115
12.800	Air Force Defense Research Sciences Program	FA9550-13-1-0095	March 15, 2013 to March 14, 2017	4,930
12.800	Air Force Defense Research Sciences Program	FA9550-14-1-0173	July 1, 2014 to June 30, 2017	3,002
12.800	Air Force Defense Research Sciences Program	FA9550-14-1-0119	September 1, 2014 to August 31, 2017	2,215
12.800	Air Force Defense Research Sciences Program	FA9550-14-1-0394	September 30, 2014 to September 29, 2017	1,828
Total Questioned Costs				\$ 44,090

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:	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 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:

CFDA No.	CFDA Title	Award Number	Award year	Questioned Cost
11.008	NOAA Mission-Related Education Awards	2013-2014-004 (the University received funds as a pass-through from the University of Puerto Rico at Mayaguez)	June 1, 2013 to May 31, 2014	\$ 0
12.000	Department of Defense	SC1313401	November 8, 2013 to December 31, 2014	488
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

UNIVERSITY OF TEXAS AT DALLAS

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award year</u>	<u>Questioned Cost</u>
47.070	Computer and Information Science Engineering	CNS-1016343	August 1, 2010 to July 31, 2014	0
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	R21NS078656 (the University received funds as a pass-through from the University of Texas Southwestern Medical Center)	September 1, 2012 to August 31, 2014	0
Total Questioned Costs				<u>\$1,112</u>

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:	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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2016
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-144.

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.

Corrective Action:

Corrective action was taken.

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

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*).

Initial Year Written:	2010
Status:	Partially Implemented
U.S. Department of Education U.S. Department of Health and Human Services	

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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-145.

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).

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.

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.

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-147.

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-148.

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.

Corrective Action:

Corrective action was taken.

Reference No. 2013-179

Cash Management

Research and Development Cluster

Award years – August 23, 2010 to November 22, 2012 and December 5, 2011 to October 31, 2013

Award numbers – CFDA 12.351, Basic Scientific Research – Combating Weapons of Mass Destruction, HDTRA1-10-1-0096 and CFDA 43.001, Science, NNX09AV17A pass-through from United Negro College Fund Special Programs Corporation

Type of finding – Significant Deficiency and Non-Compliance

Recipients shall maintain advances of federal funds in interest-bearing accounts unless: (1) The recipient receives less than \$120,000 in federal awards per year, (2) the best reasonably available interest-bearing account would not be expected to earn interest in excess of \$250 per year on federal cash balances, or (3) the depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources (Title 2, Code of Federal Regulations (CFR), Section 215.22 (k)). For those entities for which the Cash Management Improvement Act (CMIA) and its implementing regulations do not apply, interest earned on federal advances deposited in interest-bearing accounts shall be remitted annually to the U.S. Department of Health and Human Services. Interest amounts up to \$250 per year may be retained by the recipient for administrative expense. State universities and 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).

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Defense National Aeronautics and Space Administration	

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.

2017 Update

Since the finding was initially written in 2013, the University has (1) implemented processes to track federal projects that receive advance funds and maintain advances of federal funds in interest-bearing accounts and (2) implemented policies for calculating and remitting interest earned on advances of federal funds. However, when the University calculated interest earned, it netted the cash balances of projects for which it received advances with the cash balances of projects with expenditures that preceded federal payments, rather than calculating interest earned only on advances of federal funds.

Views of Responsible Officials and Corrective Action Plan 2017:

As described in response of April 2016, we are following the revised plan/policy, however, upon additional review we realized our misinterpretation of our process regarding interest calculation on available cash (difference between fixed price and prepaid). We immediately 1) correct our process guide, 2) implemented the changes, 3) had the master file of all interest bearing accounts revised (excluded all “fixed” price project that were not prepaid), 4) had all interest recalculated, and 5) remitted all funds >\$500 to DHHS on time (1 December, 2017).

Implementation Date: December 1, 2017

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:	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.

Corrective Action:

Corrective action was taken.

University of Texas Health Science Center at Houston

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 Childhood Home Visiting Program	HHSC 529-14-0121-00001	May 5, 2014 to October 31, 2014
93.855	Allergy and Infectious Diseases Research	1R41AI093261-01	September 1, 2011 to June 30, 2014
93.728	ARRA - Strategic Health IT Advanced Research Projects (SHARP)	90TR0004	April 1, 2010 to November 30, 2014
93.531	PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	CTG-ILA-UNI/N130000005	September 29, 2012 to September 29, 2014

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.

Views of Responsible Officials and Corrective Action Plan 2017:

Additional staff training was provided on the close out process to ensure that all obligations are liquidated no later than the 90 or 120 day closeout period when submitting revised FFR's.

Implementation Date: November 3, 2017

Responsible Person: Ronald Perez

Reference No. 2015-144

Reporting

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Reporting Standard Form (SF-425) to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions and requirements of key reporting elements.

Initial Year Written:	2015
Status:	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.

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.

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

The issues above affected the following awards:

CFDA No.	CFDA Title	Award Number	Award Year
93.110	Maternal and Child Health Federal Consolidated Programs	5T73MC22236-04-00	July 1, 2011 to June 30, 2015
93.136	Injury Prevention and Control Research and State and Community Based Programs	5R01CE002135-03	September 30, 2012 to September 29, 2015
93.297	Teenage Pregnancy Prevention Program	5TP1AH000072-05	September 1, 2014 to August 31, 2015
93.307	Minority Health and Health Disparities Research	5U24MD006941-05	September 20, 2011 to June 30, 2016
93.307	Minority Health and Health Disparities Research	5R24MD007975-03	April 25, 2013 to December 31, 2015
93.610	Health Care Innovation Awards (HCIA)	1C1CMS331044-03-00	July 1, 2012 to June 30, 2016
93.837	Cardiovascular Diseases Research	5UM1HL087318-09	March 1, 2012 to February 28, 2019
93.838	Lung Diseases Research	5P01HL114457-03	June 1, 2013 to May 31, 2018
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5U01NS043127-14	December 1, 2012 to November 30, 2015
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5R01NS087541-02	April 1, 2014 to March 31, 2018
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5P50NS044227-10	September 30, 2008 to April 30, 2015
93.855	Allergy and Infectious Diseases Research	1R56AI110432-01	April 1, 2014 to January 14, 2015
93.865	Child Health and Human Development Extramural Research	5U10HD040545-16	April 1, 2011 to March 31, 2016

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
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

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

CFDA No.	CFDA Title	Award Number	Award Year
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
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.

Views of Responsible Officials and Corrective Action Plan 2017:

The University updated and strengthened its procedure on Federal Subrecipient Monitoring and Management Process. A risk assessment is conducted for each subrecipient prior to execution of the subaward. This assessment includes a documented review of the subrecipient's most current single audit, third party audit, or audited financial statements, documented verification that the subrecipient has not been excluded from participating in Federal awards, and a review of deliverables and the amount of funds being awarded to the subrecipient as a percentage of the total award. A Subrecipient Risk Assessment documents an assessment of risk, whether lower, medium or higher. Additional monitoring requirements for subrecipients at medium and higher risk are included as additional terms of the subaward. Training was provided to SPA specialists; Subawards are reviewed for accuracy prior to signoff.

Implementation Date: May 2017/November 3, 2017

Responsible Person: Kathleen Kreidler

University of Texas M.D. Anderson Cancer Center

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:	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 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:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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

UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

<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

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:	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.

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.

Views of Responsible Officials and Corrective Action Plan 2017:

The Director is reviewing 100% of students selected for verification to ensure that the verification is completed correctly. The verification is not considered complete until the Director has signed off. Federal funds are not being disbursed until verification is completed.

Implementation Date: October 2017

Responsible Person: Carol Cromie

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:	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

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:	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.

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.

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:	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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-156.

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.

Corrective Action:

Corrective action was taken.

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

Initial Year Written:	2016
Status:	Implemented
U.S. Department of Education U.S. Department of Health and Human Services	

allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, USC, Chapter 28, Subchapter IV, Section 108711). 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 108711(10)).

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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2016
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, 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.

Corrective Action:

This finding was reissued as current year reference number 2017-157.

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
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 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.

Corrective Action:

This finding was reissued as current year reference number 2017-158.

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Partially Implemented
U.S. Department of Education	

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)).

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.

Corrective Action:

This finding was reissued as current year reference number 2017-159.

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2017-160.

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.

Corrective Action:

Corrective action was taken.

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

Initial Year Written:	2016
Status:	Implemented
U.S. Department of Education	

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*).

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2016
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

The University of Texas at San Antonio (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to the National Student Loan Data System (NSLDS). Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to NSLDS. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 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.

Corrective Action:

Corrective action was taken.

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.

Views of Responsible Officials and Corrective Action Plan 2017:

As of October 2017, UT Southwestern (UTSW) has updated and implemented a revised core policy that is included in our UTSW Policy Handbook. This updated policy requires that service centers review and update their rate structure annually through an institutional business planning process. The policy also requires that service center balances are adjusted accordingly to not exceed 60 days working capital reserves. In the event a service center accumulates an excessive balance, the Office of the Provost has implemented a process to ensure that the working capital reserves are in alignment with our institutional policy. Oversight of this policy and monitoring to ensure compliance is coordinated by the Office of the Provost. Appropriate corrective actions would be taken in the event the policy practices are not followed.

Implementation Date: October 2017

Responsible Person: Cameron Slocum

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.

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:

CFDA No.	CFDA Title	Award Number	Award Year
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

UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER

CFDA No.	CFDA Title	Award Number	Award Year
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
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 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.

Views of Responsible Officials and Corrective Action Plan 2017:

As of November 2017, UT Southwestern has updated its policy governing Acquisition, Management and Disposal of UT Southwestern Property (FSS-152). The updates include clarification of when missing or stolen property is to be reported, the required supporting documentation and how asset records will be affected.

In addition, effective November 1, 2017, UTSW Asset Management Administration monthly training and activity sessions for the asset management inventory collection team will be conducted pertaining to collection procedures with emphasis on validating/correcting information contained in the asset record, including serial numbers. Asset Management Administration implemented a post inventory scan audit process on November 8, 2017 to enhance asset recordings and internal controls in order to reconcile asset information. Supply Chain Management will conduct monitoring procedures to ensure staff is complying with policies and procedures and to validate accuracy in reporting.

Implementation Date: November 2017

Responsible Person: Charles Cobb

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.

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.

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:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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

UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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.

Views of Responsible Officials and Corrective Action Plan 2017:

UT Southwestern Medical Center recognizes the importance and necessity of timely charging of expenditures and closure of sponsored awards. UT Southwestern also places equal importance on ensuring allowability and accurate sponsored award balances. As a result of final award reconciliations and fiscal year-end activities to process and post final journal entries, several instances of transactions falling outside of the period of availability were identified. All of those related expenses were charged to other funding sources and UT Southwestern did not seek reimbursement for any of these expenses.

To resolve this finding and complete the corrective action, Sponsored Programs Administration (SPA) began implementation of a revised award closeout procedure at the end of fiscal year 2017 (August 2017). The revised process shortens the window for departments to post expenses to enable SPA to verify and complete any and all adjustments within the period of availability. To support this change and ensure clear understanding of roles, SPA published a procedural document and revised system generated communications that are issued to the PI/department prior to and after the award end date.

Additionally, in fiscal year 2018, UT Southwestern will complete a project to fully close out all expired awards. This may result in adjustments to facilitate the sub-ledger clean-up.

Implementation Dates: Policy has been implemented as of November 3, 2017. Cleanup of the entire project will span fiscal year 2018.

Responsible Persons: Sonia Singh and Jodi Levy

Corrective Actions Plans

Federal Portion of
Statewide Single Audit Report

For the Year Ended August 31, 2017

Corrective Action Plan – Table of Contents

Corrective Action Plan – KPMG

Aging and Disability Services, Department of	656
Agriculture, Department of	657
Comptroller of Public Accounts and Health and Human Services Commission	659
Family and Protective Services, Department of	661
General Land Office	663
Health and Human Services Commission	664
Public Safety, Department of	677
State Health Services, Department of	678
Texas Education Agency	680
Texas Higher Education Coordinating Board	681
Texas Workforce Commission	682
Transportation, Department of	684
University of Texas Medical Branch at Galveston	685

Corrective Action Plan – Other Auditors

Prairie View A&M University	687
Sam Houston State University	692
Stephen F. Austin State University	693
Texas A&M University	694
Texas A&M University – San Antonio	696
Texas Southern University	707
Texas State University	712
Texas Tech University	713
Texas Woman’s University	714
University of Houston	719
University of North Texas	726
University of Texas at Arlington	728
University of Texas at Austin	733
University of Texas at El Paso	734
University of Texas Health Science Center at Houston	741
University of Texas Health Science Center at San Antonio	744
University of Texas Rio Grande Valley	746
University of Texas at San Antonio	752

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.



As of September 1, 2017 the Department of Aging and Disability Services was dissolved and the functions were transferred to the Health and Human Services Commission.

Reference No. 2017-001

Views of Responsible Officials:

Accepted. Health and Human Services Commission (HHSC) Long Term Care Regulatory division, Licensing and Credentialing section has 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 for the nursing facility and day activity health services units in January 2017. These procedures will be implemented for the home and community support service agencies and the assisted living facilities and intermediate care facilities for individuals with intellectual disability or related conditions during FY18.

Corrective Action Plan:

HHSC Licensing and Credentialing section will conduct quarterly and annual reviews. The quarterly reviews will focus on 10 percent of completed applications, per quarter per 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 quarter or annual review, to the section director.

Implementation Date: March 2018

Responsible Person: Bobby D. Schmidt



TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER

Reference No. 2017-002

Views of Responsible Officials:

TDA has taken corrective steps to establish and implement an action plan to strengthen the IT controls.

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. All developer's access to production was successfully reviewed and removed by August 29, 2017.*

Policies will be reviewed and updated as necessary:

- 1. Software Configuration Management and Build Process for Applications policies will be reviewed and updated as needed by March 2018, and*
- 2. Formalization and implementation of procedures for CAMPS and Pentaho security access reviews, addressing administrative and operational access will be completed by March 2018.*

*Implementation Date: All developer access to any applicable systems were reviewed and completed by August 29 2017.
All configuration reviews and necessary changes will be completed by March 2018.
Periodic access reviews will be completed by March 2018.*

Responsible Persons: William Butch Grote & Tahjar Roamartinez

Reference No. 2017-003

Views of Responsible Officials:

TDA conducts inventory counts at 6 food warehouses for 8 regions on an annual basis and has inventory count controls in place. A corrective action plan to strengthen these controls has been developed.



TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER

Corrective Action Plan:

TDA has updated its Physical Inventory Count process to eliminate the ability of a warehouse to reconcile lost product that has been located since the onsite visit. Warehouses will be held accountable for losses identified at the end of the onsite visit. Additionally, the process will reflect that the starting inventory will be run on the day of the onsite review to reduce manual adjustments on Physical Inventory count tool. TDA is updating the format and formulation of the Physical Inventory Count tool to prevent errors with formulas and enhance the clarity of the data collected. All summary tables will be removed from the corrective action letters and the updated tool will be provided as an enclosure to eliminate the manual errors. All documentation and the corrective action letter will be reviewed by the Coordinator for the section prior to sending to the warehouse.

TDA will reprioritize the duties of the Food Distribution Specialist to ensure the current process for monitoring the receipt of USDA Food shipments is completed. The current process requires this position to reconcile deliveries on the first and sixteenth day of each month, adjusting for weekends. The current process will be updated to include a quarterly check to ensure all trucks for the program year to-date have been properly receipted.

*Implementation Date: Updated process and tool for Physical Inventory Count will be implemented by May 1, 2018.
Updated process for monitoring the receipting of USDA Food shipments will be implemented by March 1, 2018.*

Responsible Person: Jaclyn Cantu



Reference No. 2017-004

Views of Responsible Officials:

Accepted. The Comptroller is analyzing current processes to determine what enhancements are needed to ensure effective quality control. Additional verification of electronic files will be reflected in updated procedures and conducted going forward.

Corrective Action Plan:

Agency policies and procedures will be revised to include procedures for increased quality control.

Implementation Date: August 31, 2018

Responsible Person: Michael Apperley





Reference No. 2017-004

Views of Responsible Officials - HHSC:

Accepted. HHSC will revise our current business process to exclude adjustments. We will continue to perform a detailed review ensuring adjustments have been excluded. See the corrective action plan for further details.

Corrective Action Plan - HHSC:

HHSC will revise our current business processes to exclude adjustments when creating the detailed spreadsheets. ARTS will create a new Journal Source for adjustments. The new Journal Source will easily identify adjusting journals.

Implementation Date: February 2018

Responsible Person: Trinity Raines



Texas Department of Family and Protective Services

Commissioner
H. L. Whitman, Jr.

Reference No. 2017-005

Views of Responsible Officials:

Agreed. This finding is a result of being behind several quarters in completing the reallocation of expenditures process. The variances identified would be significantly less if the quarterly reallocation process was up-to-date. The auditor recommendations are addressed in the corrective action plan detailed below.

Corrective Action Plan:

As indicated, the Department of Family and Protective Services (DFPS) has procured a contractor to automate the agency's quarterly process of reallocating expenditures. The automated solution is currently in the user acceptance testing (UAT) project phase and is scheduled for implementation on February 1, 2018. Staff training in the new automated process is also underway. DFPS anticipates that the reallocation of expenditures will be current as of March 1, 2018. This ensures that factors currently behind for reallocation purposes are updated to reflect the correct coding of expenditures. The new automated process will include a review of factor inputs to ensure they are performed in a timely manner and related calculations are finalized. In addition, populating the month of allocation (MOA) date field in the reallocation journal will be a required field when completing the reallocation process.

The time, effort and resources invested in the new automated process of reallocating expenditures will assist in the accurate and timely reporting of federal expenditures.

*Implementation Dates: February 1, 2018 – Implement new automated solution
March 1, 2018 – Reallocations up-to-date*

Responsible Person: Kristen Norris

Reference No. 2017-006

Views of Responsible Officials:

The policy on determining the Emergency Assistance (EA) eligibility criteria regarding annual family income was published in July 2017, computer based training was provided in August 2017, and a baseline case reading was conducted for cases from June 2017 that had EA determinations. Regarding automated controls related to recertification, we will review this issue, including exploring needed controls and how to best implement such controls.

Corrective Action Plan:

We are revising the EA determination policy to address the remaining three EA eligibility criteria (questions regarding risk, household, and working status), develop a second computer based training to address the remaining eligibility



Texas Department of Family and Protective Services

Commissioner
H. L. Whitman, Jr.

criteria and provide a refresher on determining annual family income. The agency Accountability office is planning to conduct case readings this spring to gauge staff's grasp of the policy and training.

We will convene a workgroup with stakeholders to discuss options and develop a plan to implement the finding related to automated controls related to certification.

Implementation Date: August 31, 2018

Responsible Person: Gwen Gray

Reference No. 2017-007

Views of Responsible Officials:

Agreed. The identified Social Services Block Grant (SSBG) and Promoting Safe and Stable Families (PSSF) expenditures would normally be reallocated appropriately via the reallocation process established by the Department of Family and Protective Services (DFPS). However, the corrective action taken due to a previous audit finding related to the agency's reallocation of expenditures, took several months to complete. This resulted in the agency getting behind in its current process of completing the quarterly reallocations necessary to address issues such as those identified in the current finding.

Furthermore, the current quarterly reallocation of expenditures is a manual process and requires a significant amount of time to complete. Steps have been taken to remedy this and to address the specific finding. These steps are detailed in the agency's corrective action plan (see below).

Corrective Action Plan:

DFPS has procured a contractor to automate the agency's quarterly reallocation process. The automated solution is currently undergoing user acceptance testing (UAT). In addition to UAT, designated DFPS Accounting Department staff are currently being trained on the new automated process. The automated solution is scheduled to be implemented on February 1, 2018 and will significantly reduce the amount of time required to complete quarterly reallocations. DFPS anticipates that the agency's quarterly reallocation of expenditures will be up-to-date as of March 1, 2018. The specific SSBG and PSSF expenditures charged to the incorrect grant/grant year will be corrected during this process.

Implementation Date: February 1, 2018

Responsible Person: Kristen Norris



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Reference No. 2017-008

Views of Responsible Officials:

Accepted: The General Land Office's Department of Enterprise Technology Solutions concurs with the recommendation. We are hopeful that a system update and process change made in June of 2017 will continue to provide a successful mechanism for implementing changes to the T-RecS production environment that do not require direct developer access. Our initial experience has been encouraging.

Corrective Action Plan

No further action required.

Implementation Date: June 18, 2017

Responsible Person(s): Kai Joe



Reference No. 2017-009

Views of Responsible Officials:

Accepted. While the primary causes of delays in the calculation of actual Project ID percentages and the reallocation of expenditures are exceptional ones associated to the unique event of HHS Transformation, HHSC has initiated immediate and remedial plans to strengthen procedures, ensure factor calculation information is available, and reallocations are performed in a timely manner. HHSC has submitted the final 2017 Public Assistance Cost Allocation Plan (PACAP) to the U. S. Department of Health & Human Services Division of Cost Allocation. HHSC has completed all reallocation for factors not dependent on Factor-02 through August 2017 subsequent to the audit. HHSC will dedicate the necessary resources to eliminate the remaining backlog.

To prevent this issue in the future, HHSC has committed to strengthening current procedures by increasing the flexibility and speed of the reallocation process with the development and implementation of a cost allocation calculation system. In addition, Budget staff will continue to lead efforts across the agency to assess cost allocation changes and streamline calculation processes for actual Project ID percentages, beginning with those most frequently delayed.

Corrective Action Plan:

By March 1, 2018, the calculation processes for most frequently delayed factors should be updated and meeting target completion dates, specifically Factor-34.

By April 1, 2018, all reallocation backlogs should be eliminated.

By April 1, 2018, HHSC will implement the new cost allocation calculation system (AlloCAP).

Implementation Date: April 2018

Responsible Persons: Diane Jackson
Chris Matthews

Reference No. 2017-010

Views of Responsible Officials:

Medicaid and CHIP Services (MCS) agrees with the recommendation. The issue has been corrected and MCS has implemented the appropriate measures to ensure that permissions within MAXeb are issued according to State guidelines.

Corrective Action Plan:

MCS will continue to monitor account permissions within MAXeb to ensure permissions granted are appropriate.

Implementation Date: Ongoing

Responsible Person: Lino Cardenas

Reference No. 2017-011

Views of Responsible Officials:

Separation of Duties: Accepted. As indicated in the audit report, HHSC implemented functionality in TIERS to ensure the separation of duties by preventing the disposition of a case by the same user completing the Second Level Review. HHSC has an ongoing process in place for the weekly monitoring of Separation of Duties reports and will continue to monitor controls in place to ensure segregation of duties over eligibility activities.

HHSC-IT made changes to the exception report process in March 2017 and the teams continue to improve upon the timeliness of corrections and strive for 100% completion within a month of the report. As of January 30, 2018, the oldest exception was created on January 19, 2018. As noted below in the Corrective Action Plan, additional procedural changes will also be instituted by February 28, 2018.

Corrective Action Plan:

Separation of Duties: Not applicable.

Exception Report Process: In order to ensure timely completion of exceptions, management is instituting additional controls for monitoring exceptions including:

1. Set a target for maximum size and age of exception backlog.
2. Define and implement a process to monitor and provide oversight of the exception backlog.

Implementation Dates: Separation of Duties: Fully Implemented



Exception Report Process: February 2018

Responsible Persons: Separation of Duties: Todd Byrnes
Exception Report Process: Mary Catherine Bailey

Reference No. 2017-012

Views of Responsible Officials:

Accepted. HHSC has worked with Texas Medicaid & Healthcare Partnership (TMHP) to complete process modifications that will investigate records not processed through the weekly interface in order to resolve errors. Beginning August 1, 2017, the Conduent contract was amended and the dunning notice requirement was deleted.

Corrective Action Plan:

HHSC and TMHP are currently testing an automated process with a planned implementation date of February 2018 to investigate and resolve the data contained in the error reject file containing exceptions not uploaded to Drug Rebate Analysis and Management System (DRAMS). Manual inspection of the data is currently occurring each month and will continue until implementation. No corrective action was required for dunning notices as the contract requirement was deleted. Manufacturers are notified of the amounts they owe through the invoicing process.

Implementation Date: February 2018

Responsible Person: Katherine (KJ) Scheib

Reference No. 2017-013

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.

HHSC will complete a Statement of Work (SOW) to solicit a vendor for conducting a performance audit. HHSC will complete the procurement process by August 2018 or when certain critical activities and objectives for the department are completed. These critical activities and objectives are specifically related the closeout of the previous claims administration contract (ended July 31, 2017), startup of the new claims administration contract (August 1, 2017) and permanent replacement of the HHSC contract manager for the claims administration contract.

The timeframe for implementation is intended 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 2018

Responsible Person: Michael Blood

Reference No. 2017-014

Views of Responsible Officials:

HHSC-IG: The HHSC Inspector General (IG) is in agreement with the recommendation that long-term care utilization reviews adhere to policy.

HHSC-Managed Care Compliance and Operations (MCCO) is in agreement with the recommendation that HHSC strengthen existing controls to ensure all required documents are included in case files to support final resolution of cases in accordance with policies and procedures.

Corrective Action Plan:

IG-Recommendation: The Inspector General (IG) reviewed rule TAC rule 371.214 (n)(1) that requires the IG to select every Medicaid nursing facility in the state for utilization review in a 15 month period. The IG determined that this method of selection should be revised. The IG initiated the rulemaking process on April 18, 2017. Subsequently, the IG received additional feedback and is considering additional changes to the rule.

MCCO Recommendation: MCCO Research and Resolution Team (RRT) Unit has added a second level case review. RRT Unit Managers will conduct a thorough second level case reviews for each technician, to ensure all documents are uploaded properly in the HEART database. The results are shared with technicians, so that corrections to the cases, can be made within the system. Staff will continue



to receive training (including peer to peer reviews) on policies and procedures to ensure compliance and discuss noticed trends.

Implementation Date: IG - December 2018
MCCO - On-going: Standard operational monitoring, training and procedures will continue.

Responsible Person: Judy Knobloch
Michael Osborne

Reference No. 2017-015

Views of Responsible Officials:

The prior finding was to review the process and controls for maintaining SysCat to ensure all active Medicaid ADP systems are included. The team understood Medicaid ADP systems to be the Medicaid Management Information System. With the clarification received during this audit that Medicaid ADP systems includes any systems receiving Medicaid funding, the team will further refine SysCat to support the required assessments.

Corrective Action Plan:

A change request will be submitted to add a flag to SysCat to indicate if a system receives Health and Human Services (HHS) funding and is subject to review as specified in 45 CFR 95.621.

Implementation Date: August 2018

Responsible Person: P.J. Fritsche

Reference No. 2017-016

Views of Responsible Officials:

Accepted.

Corrective Action Plan:

HHSC has directed the provider enrollment contractor to implement a system project for Screening of Providers to the Termination Notification Database (TIBCO). The TIBCO project has been approved upon implementation and will perform an annual check on the providers' Medicare numbers where required to ensure that they are current and up to date including for out of state providers.



HHSC will implement a new monitoring control over the contractor's provider enrollment services. The monitoring control (protocol) will be developed to independently verify that the contractor has complied with performance expectations and expected outcomes of the provider enrollment business process. The monitoring protocol will be in addition to the monthly Key Measure performance validation process and will cover expectations of the TIBCO project, state plan and policy requirements. HHSC will conduct a risk assessment to determine the appropriate frequency for conducting the new monitoring control.

Implementation Date: November 2018

Responsible Person: Michael Blood

Reference No. 2017-017

Views of Responsible Officials:

Accepted. HHSC will implement new monitoring controls over the services provided by the service organization (TMHP) to ensure federal regulations, state plan and state policy requirements are being met regarding provider eligibility, and specifically 42 CFR Section 455.106(a).

Corrective Action Plan:

HHSC will direct TMHP to implement controls within the provider enrollment business area to require applicants for enrollment to disclose 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.

HHSC will implement contract monitoring to ensure that TMHP is performing the new provider enrollment controls as part of its monitoring for Key Measure PRV-0088. HHSC will ensure that TMHP is notifying the HHSC Inspector General as soon as possible of any criminal conviction disclosures so that notification can be made to HHS-IG within 20 working days.

Implementation Date: November 2018

Responsible Person: Michael Blood

Reference No. 2017-018

Views of Responsible Officials:

Accepted. As indicated in the audit report, HHSC implemented functionality in Texas Integrated Eligibility Reporting System (TIERS) to ensure the separation of duties by preventing the disposition of a case by the same user completing the Second Level Review. HHSC has an ongoing process in place for the weekly monitoring of Separation of Duties reports and will continue to monitor controls in place to ensure segregation of duties over eligibility activities.

Corrective Action Plan:

Fully Implemented.

Implementation Date: Fully Implemented

Responsible Person: Todd Byrnes

Reference No. 2017-019

Views of Responsible Officials:

Accepted. HHSC Accounting, Budget and Claims Support have identified the issue in the cross-walk set-up used in the Claims Management System (CMS) which interfaces with HHSC's accounting system. Correcting entries were completed in AY 2018.

Corrective Action Plan:

Claims Support has updated their Policy and Procedures to address the Title XX codes to include the following:

1. Claims Support (CS) System Analyst meets with Health and Human Services (HHSC) Fiscal in July to determine any changes to Accounting codes for the next FY.
2. HHSC Fiscal provides a new Claims Management Systems (CMS) Fiscal Account Table each year that lists valid Accounting combinations for the next FY.
 - Title XX combinations, validated with HHSC Accounting the begin date.

NOTE: The begin date should be October 1st, instead of September 1st.

3. CS System Analyst adds new entries to the CMS Fiscal Account Code Table for all active bill codes.

NOTE: Add entries by the second week in August to allow sufficient time for Texas Medicaid & Healthcare Partnership (TMHP) to load entries before September 1 effective date.



In addition HHSC Accounting, Budget Office and Claims Support need to improve communications between functional areas with regards to coding coordination.

Implementation Date: September 2017

Responsible Persons: Robert Brown
Debbie Wilson
Trinity Raines
Randolph Lovejoy

Reference No. 2017-020

Views of Responsible Officials:

Family Violence:

- **Contract Requirements:** This finding was identified in the fiscal year 2016 KPMG audit. As stated in last year's accepted corrective action plan, the Family Violence Program (FVP) updated the contract language in the fiscal year 2018 contracts.
- **TANF Form Verification:** The FVP agrees with this finding.

Behavioral Health Services (BHS)

- **Accepted.** HHSC BHS will incorporate the specified requirements into Mental Health (MH) contracts, provide CFDA number at disbursement, and close-out contracts in accordance with regulations.

Corrective Action Plan:

Family Violence:

- **Contract Requirements:** The FVP's fiscal year 2018 contracts were amended to include the indirect cost rate and identify the availability of the de minimis rate.
- **TANF Form Verification:** The FVP has updated the fiscal year 2018 monitoring tool to ensure that TANF verification is reviewed and documented.

Behavioral Health Services:

- HHSC BHS will update procedures to incorporate these requirements into MH contracts and evaluate system and resource constraints to identify and address action(s) needed to comply with contract close-out and provision of CFDA number at time of disbursement.

Implementation Dates: FVP considers both findings fully implemented.
BHS: January 2019



Responsible Persons: Laurie Shannon
Tom Best

Reference No. 2017-021

Views of Responsible Officials:

Accepted. HHSC will research methodology for indirect cost rate as appropriate to comply with Uniform Grant Guidance; this includes determining an appropriate approach for pass-through funding to treatment providers.

Corrective Action Plan:

HHSC will update procedures for subrecipient contracts to apply federally negotiated indirect cost rate or determine eligibility for use of the de minimis indirect cost rate in the absence of a federally negotiated indirect cost rate. HHSC will research methodologies in determining an appropriate approach and instrument to provide pass-through funding to treatment providers.

Implementation Date: HHSC anticipates that appropriate action may roll out in stages as procedures are finalized and it may take multiple years to determine appropriate contract structure to reprocur substance abuse treatment services throughout the state.

Responsible Person: Tom Best

Reference No. 2017-022

Views of Responsible Officials:

Accepted. HHSC will monitor implementation of the updated policy to ensure the review process is adequately documented and evidence of review maintained.

Corrective Action Plan:

HHSC will update procedure to account for and maintain documentation of the selection review process.

Implementation Date: September 2018

Responsible Person: Tom Best



Reference No. 2017-023

Views of Responsible Officials:

Procurement and Contracting Services (PCS) agrees with the recommendation.

Corrective Action Plan:

Two procurement quality auditors to perform quality control (QC) that were anticipated to be hired in FY17 were hired January 2018. Delay in hiring these two positions were due to the hiring freeze in January 2017. Currently, PCS Training and Policy is working on filling three positions due to staff resignations and once filled will be utilized to help form and modify policies as well as conduct training to ensure compliance with purchasing regulations. During July 2017 thru January 2018, current policy staff were utilized to conduct procurement training to PCS purchasers on the HHSC upgraded financial system, CAPPS 9.2.

On September 5, 2017, HHS replaced the HHSAS Financials, the Financial PeopleSoft system, with CAPPS Financials 9.2 which allows HHS to improve and streamline the agency's business processes related to the requisition, purchasing, solicitation, and contract creation processes. 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.

HHSC PCS Procurement Manual has been revised to further facilitate compliance with state and federal regulations. Currently, executive management is reviewing the revisions and when their review is complete, final revisions will be completed, if necessary, prior to posting on website.

Implementation Date: September 2018

Responsible Person: Michael D. Parks

Reference No. 2017-024

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 the developers read only group. 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 the developers read only group.

The Application Manager requests 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 reviews the report to validate that all users have the appropriate access. The first validation occurred in January 2017 and have continued on a quarterly basis, however the review documentation was not consistently maintained.

Corrective Action Plan:

The subsequent quarterly reviews will be documented by the Application Manager in the Medicaid Systems Application Team SharePoint site.

Implementation Date: February 2018

Responsible Person: P.J. Fritsche

Reference No. 2017-025

Views of Responsible Officials:

HHSC IT agrees with the conclusions and recommendation that duties should be properly segregated so developers do not have Application Designer, and Data Mover, and Maintain Security access in the Production CAPPs Financials environment and CAPPs HCM 9.2 production environments.

Corrective Action Plan:

HHSC IT CAPPs Financials Manager and HCM Manager will submit requests to the HHSC IT Access Management/Provisioning (CAPPs Security) Team to make the following security updates to all HHSAS 8.8 environments, CAPPs Financials 9.2, and CAPPs HCM 9.2 production environments:

1. Remove/uncheck Data Mover from all Role/Permissions lists in Production environments.
2. Update Role/Permissions related to App Designer to make all Objects 'Read Only' in all Production environments.
3. Implement a process for the CAPPs Financials Support team and CAPPs-HCM Support Team to request temporary access to Data Mover or Application Designer in the event it is required to correct a Production CAPPs Financials or Production CAPPs-HCM issue or to migrate modifications that require these permissions. The process will include steps for removing access once issue or migration is complete.
4. Update Role/Permissions related to the Maintain Security menu to ensure 'Inquiry Only' access for Developers and DBAs in all Production environments

Implementation Date: February 2018

Responsible Persons: Lisa Cole

Chuck Renshaw
Karen Peschke

Reference No. 2017-026

Views of Responsible Officials:

Accepted. HHSC Inspector General (IG) has already implemented significant process enhancements in this area. The single audit desk review function has been transferred to HHSC Procurement and Contracting Services (PCS) as of September 1, 2017. As the exceptions were identified throughout the audit, PCS and HHSC IG have worked together to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

In State Fiscal Year 2017, the single audit desk review process was streamlined to enhance efficiency and capacity of the reviewers. A checklist was developed to focus attention on the required elements of Uniform Grant Guidance. The checklist was fully implemented as of March 31, 2017. The single audit desk review staff were able to complete more than 450 single audit desk reviews, which eliminated the back log that existed in previous years.

The single audit review function transferred from the HHSC IG to HHSC PCS Contract Administration (CA) on September 1, 2017. PCS CA relies on PCS Contract Oversight and Support (COS) for coordinating with the appropriate departments within the Health and Human Services System to identify all subrecipients. COS will utilize expenditures to confirm the accuracy of the recipient/subrecipient list by April 30, 2018.

The Single Audit Unit (SAU) has enhanced procedures and implemented a comprehensive tracking system to ensure collection of the single audit reports and financial statements, issuance of management decisions, verification of the accuracy of subrecipients which do not require a single audit, and performance of due diligence for information not received in a timely manner. SAU also enhanced the Single Audit Request Letter to clarify that all entities must submit a copy of their financial statements, whether or not a single audit is required, no later than nine months after the entity's fiscal year-end. During January 2018, further enhanced procedures were implemented for following up on subrecipients who did not complete an online determination, or submit a single audit report and/or



financial statements by notifying COS of the delinquencies so that they can coordinate with the appropriate contracting area to obtain the single audit reporting packages and financial statements and impose adverse action measures, as appropriate.

To ensure timely processing of management decision letters, SAU management staff reviews the tracking system on at least a weekly basis to ensure that auditors are on schedule to complete their reviews and issue management decision letters by the applicable due date.

Implementation Date: Various Noted

Responsible Person: Heather Shiels

TEXAS DEPARTMENT OF PUBLIC SAFETY

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RANDY WATSON

Reference No. 2017-027

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 the review of small projects and the progress monitoring of small project reviews to facilitate the Department's certification of small projects in accordance with FEMA requirements. The Department has established a role of Recovery Coordinator and is developing training plans to ensure Recovery Coordinators understand their role to ensure risk assessments are completed and the subrecipients are receiving appropriate monitoring and to ensure quarterly reports are submitted for large projects as required by FEMA. To ensure the accuracy of CFDA notifications on subrecipient payments, the Department is now interfacing the CFDA number from the grants management system, reducing the risk of manual data entry errors.

Implementation Date:

June 30, 2018

Responsible Persons:

Sandra Fulenwider and
Maureen Coulehan

Reference No. 2017-028

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 risk assessments are being completed and subrecipients are receiving the appropriate monitoring according to the risk assessment. To ensure the accuracy of CFDA notifications on subrecipient payments, the Department is now interfacing the CFDA number from the grants management system, reducing the risk of manual data entry errors. DPS will also establish controls to ensure quarterly reports are submitted as required and other required documentation are completed and included in the subrecipient's files.

Implementation Date:

June 30, 2018

Responsible Persons:

Sandra Fulenwider
Maureen Coulehan



Reference No. 2017-029

Views of Responsible Officials:

Accepted. DSHS THMP will continue with the quarterly assurance process and the monthly check against HMS. DSHS THMP will continue to enforce the implemented recertification process to identify those applicants coming up on the 12-month recertification date in order to begin the recertification process.

Corrective Action Plan:

N/A. The corrective action was successfully implemented on June 1, 2017.

Implementation Date: June 2017

Responsible Person: Shelley Lucas

Reference No. 2017-030

Views of Responsible Officials:

Accepted. The Department has already begun working toward addressing this recommendation. See the corrective action plan for further details.

Corrective Action Plan:

The Department has submitted a request to revise the certification language in the CAPPs system; to include language by which the manager will acknowledge a review and certification of all of their direct report employees' time reported, as compared to their respective task profile. The Department will implement a process to monitor and follow-up on timesheets that have not been certified and/or approved by the 10th calendar day of each month.

The Department will revise the DSHS Labor Account Code (LAC) Training module to include the certification responsibilities for both employees and managers/supervisors. Updates will be made to DSHS Policy FS-1110, Time and Labor Accounting to more clearly address the new certification requirements.

Implementation Date: February 2018

Responsible Person: Donna Sheppard

Reference No. 2017-031

Views of Responsible Officials:

- A. The SAPT fund (HHSC) (a.k.a. 203 (DSHS)) was transferred to HHSC from DSHS over a two-year period (FY15 & FY16). During the transition both agencies incurred expenditures through program operations that were paid for by the award. Since only one agency is allowed to draw funds from the Payment Management System (PMS), HHSC submitted draw requests to DSHS which in turn drew the funds from PMS and passed them through.

It was agreed prior to the transition that DSHS would continue to generate the Federal Financial Reports (FFR's) for the SAPT fund through FY15 and FY16 since the fund would not completely transfer to HHSC until FY17. According to the established policy and procedures at DSHS, the Accounting Detail from HHSC was to be combined with the Accounting Detail from DSHS for the period being reported in order to determine the total amount of expenditures. The SAPT grant was one of the first grants to be transferred



between agencies and reconciliations were to be expected. At the time the Federal Financial Report was prepared by DSHS the expenditure queries provided by HHSC (2015 and 2016) exceeded the draw requests indicating that ETVs for \$107,400.00 would be necessary. DSHS made multiple requests for the reconciliation prior to the due date of the FFR, but it was never received. In order to meet the deadline, DSHS decided to use the draws requested by HHSC instead of the Accounting Detail since HHSC expenditures exceeded their draws.

- B. Similar complications as those stated above arose when correcting the initial \$5,160.00 overspent for HIV Early Intervention at DSHS. While the program codes were being corrected at DSHS, additional expenditures totaling \$21,124.01 were hitting at HHSC. Again, these complications can be rectified by putting procedures in place that will allow a cross-check between agencies. However, the transferring of awards between agencies is not a normal practice.

Corrective Action Plan:

- A. *Once the reconciliation was received an ETV for \$107,400.00 at HHSC moving expenditures from SAPT16 to SAPT15. This corrected the correlation between the expenses incurred and the award from which they were drawn.*

When DSHS revises the Set Aside Analysis, the amount of expenditures will match the Federal Financial Report.

- B. *HHSC is in the process of transferring the \$21,124.01 (charges in question) from 15SAPT to 16SAPT reducing the total amount of expenditures between agencies to the 5% cap allowed for HIV Early Intervention. Once this is complete HHSC will submit new queries and DSHS will generate a revised Set Aside Analysis Report and ensure it reconciles appropriately.*

These vouchers will be replaced so that total expenditures for 15SAPT do not change and a revised FFR will not be necessary.

Implementation Date: A: December 2017
 B: Ongoing

Responsible Person: Rebecca Salisbury and Karen Harmon

Reference No. 2017-032

Views of Responsible Officials:

TEA agrees with this recommendation and will continue to properly segregate duties/ensure adequate monitoring controls are in place to restrict developer access in the production environment.

Corrective Action Plan:

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

Implementation Date: Corrected on November 21, 2017

Responsible Person(s): Melody Parrish



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Reference No. 2017 – 033

Views of Responsible Officials:

Management agrees with the recommendation. In August 2016, the Agency modified its telephone due diligence process for its FFEL portfolio. Collection calls for all FFEL accounts are attempted every other week, rotating between AM and PM and on varying days of the week. A dedicated resource has been assigned to this task to ensure that collection calls are made every two weeks, which exceeds due diligence efforts for telephone contacts as required in federal regulation. The required due diligence calls that should have been made were from the time period prior to the changes made as noted above. No additional findings were noted by the auditor on the remainder of the sample reviewed after August 2016.

Corrective Action Plan:

On a monthly basis, the Manager of Due Diligence pulls a random sample of FFEL accounts to verify that required collection calls have been appropriately made for the prior month. Also, on a quarterly basis and part of our Key Controls review, the Assistant Director – Operations Center reviews a sample of FFEL accounts to confirm the timeliness of due diligence letters and collection calls

Implementation Dates: August 2016

Responsible Person: Stephen Wessels

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

Reference No. 2017-034

Views of Responsible Officials:

Texas Workforce Commission (TWC) agrees with the finding and will strengthen procedures to restrict access to Data Mover and to ensure properly segregated duties in Application Designer.

Corrective Action Plan:

All default accounts will be reviewed by the data owner to ensure that they are appropriate and necessary, with those not needed will be disabled/deleted/modified/disposed of (as appropriate). Permission based roles are being developed based on user's current position and systems needs of that system. Semiannually TWC will review user security roles along with its internal control procedures to prevent fraud.

Implementation Date: March 31, 2018

Responsible Persons: Daniel Fierro and Christina Knapp

Reference No. 2017-035

Views of Responsible Officials:

Recommendation accepted. As noted above, Texas Workforce Commission's (TWC) Vocational Rehabilitation Division staff 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 internal controls for the monitoring of Individualized Plan for Employment (IPE) and Eligibility due dates have been implemented in the form of combined standardized policy, approval and review criteria, system enhancements, quality assurance, and risk assessment processes. In addition, regional and unit management are now required to conduct case reviews on 100% of cases in the IPE and Eligibility focus areas that exceeded compliance parameters to ensure thorough and appropriate documentation of the customer agreement and the reason for the extension exists in the case notes. Regional and unit management are also required to follow-up on corrective actions documented during reviews. The State office staff will continue to routinely communicate compliance status and make recommendations for improvement to managers at all levels in a proactive manner to mitigate the risk of potential compliance exceptions.

Implementation Date: March 1, 2018

Responsible Person(s): Carline Geiger, Cathy Rutherford, and David Norman

Texas Workforce Commission

A Member of Texas Workforce Solutions

Reference No. 2017-036

Views of Responsible Officials:

Subrecipient Monitoring Department (SMD) concurs with the finding and will strengthen its procedures to ensure all subrecipients are included in the risk assessment process.

Corrective Action Plan:

SMD will be conducting a mid-year risk assessment in early March 2018. In addition, to ensure that all viable TWC contracts that are subject to potential monitoring are assessed for risk, SMD will include all such contracts in the Annual Monitoring Plan and score them according to risk.

Implementation Dates: April 1, 2018

Responsible Person: Gloria Murillo

Reference No. 2017-037

Views of Responsible Officials:

Management agrees. Texas Workforce Commission (TWC) and Health and Human Services Commission (HHSC) have agreed to procedures that will improve the timeliness and accuracy of the ACF-199 reports.

Corrective Action Plan:

TWC and HHSC have agreed to modify the schedule for TWC submission of the Temporary Assistance for Needy Families (TANF) Quarterly sample and universe files to HHSC. Submission will be made on the last Friday of the month, following the end of the quarter. This change will ensure that HHSC has current and complete data to complete the ACF-199 report.

Implementation Dates: The change in submission will be effective January 2018, for the fourth quarter of calendar year 2017.

Responsible Person: Woody Gill

Reference No. 2017-038

Views of Responsible Officials:

Accepted. The Agency has made changes to remediate inappropriate account access that would allow developers to make unauthorized changes or query the production system. Through analysis of the exceptions identified in the audit, the Agency has begun work on the corrective actions to further improve auditability of access to the ERP system.

Corrective Action Plan:

Two service tasks (SCTASK0260430 and SCTASK0260435) have been created and assigned to TxDOT's third-party contracted support team to:

- *Remediate batch access issues noted in the audit (SCTASK0260430).*
- *Create and provide auditing reports to:*
 - *Allow TxDOT to see account that have access to security roles*
 - *allow TxDOT to see access role changes*

Implementation Date: March 15, 2018

Responsible Person: Hanh Le

Reference No. 2017-039

Views of Responsible Officials:

Accepted. The Project Finance, Debt and Strategic Contracts Division (PFD) has already implemented system improvements in this area for current and future alternative delivery projects. Through analysis of the control deficiency identified in the audit, PFD will work to develop and implement corrective action to further improve the system and processes.

Corrective Action Plan:

A procedure will be developed to provide a standard monitoring process for wage rate requirements for all alternative delivery projects. The Design-Build Administration Manual will include additional guidance for District personnel to ensure the compliance requirements are met and that adequate monitoring is implemented.

Additionally, PFD will continue to research and coordinate with the Construction Division regarding including future alternative delivery projects in the Site Manager and LCPtracker. Through this research and coordination, enhancements will be made to the existing system in SharePoint for future alternative delivery projects, if deemed necessary.

Implementation Date: October 1, 2018

Responsible Person: Carol Luschen

Reference No. 2017-040

Views of Responsible Officials:

Accepted. UTMB has 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 below for further details.

Corrective Action Plan:

- UTMB will complete the transition of the roles and permissions for the three users within the System Software Specialist Team for PeopleSoft DBA function and the PeopleSoft System Administration functions to appropriately separate in the financial system.

Implementation Date: March 31, 2018.

Responsible Person: Bill Fuqua

- UTMB will enhance the annual special access review process by the Administrative Systems Planning Committee (ASPC) to include additional reports specific to monitoring for these access rights.

Implementation Date: August 31, 2018.

Responsible Person: Bill Fuqua

- UTMB will remove the access for the ten developers' access to Application Designer updates in the production environment. Access to the Application Designer updates is already limited to only a few minor object types, Queries and Trees, and already excludes access rights for the object types that can affect transactions, set up, configurations, and modifications. Additionally, UTMB will enhance the annual special access review process by the Administrative Systems Planning Committee (ASPC) to include additional reports specific to monitoring for these access rights.

Implementation Date: Access removal – March 31, 2018.

Monitoring process – August 31, 2018.

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.



PRAIRIE VIEW A&M UNIVERSITY

A Member of the Texas A&M University System

Cash Management – Reporting

Finding 2017-101

Views of Responsible Officials:

The University agrees with the findings and recommendations as they relate to cash management for direct loans. The University will develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University has developed, documented, and implemented direct loan procedures that will ensure compliance with cash management requirements. The procedures include a process to calculate amounts for direct loan drawdowns from University financial records that include transaction-level documentation.

Implementation Date: January 2018

Responsible Person: Rod Mireles

Eligibility Special Tests and Provisions – Institutional Eligibility

Finding 2017-102

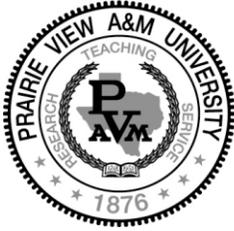
Views of Responsible Officials:

The University agrees with the findings and recommendations as it pertains to TEACH grant assistance and incarcerated students. The University will develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University has made significant changes as listed below:

- *Financial Aid management has corrected error(s) that were indicated in the audit finding. The cases in which students were awarded incorrectly due to enrollment changes have been updated to reflect the accurate disbursement amounts.*
- *The population of TEACH grant recipients is relatively low, therefore, Financial Aid management has implemented a manual internal quality control check of TEACH grants that will review enrollment, award amounts, and disbursements. Each student awarded the TEACH grant will be evaluated after every term to ensure accuracy of awards.*
- *Financial Aid management has set the appropriate Banner controls to ensure that disbursement amounts coincide with the changes as reflected in the reduction fees as it relates to pre and post October 1 disbursements established by the Department of Education.*



PRAIRIE VIEW A&M UNIVERSITY

A Member of the Texas A&M University System

- *Financial Aid management has reviewed the regulations regarding the acceptable methods of identifying incarcerated students and will work with University administration to develop and implement a process to document compliance with the less than 25 percent incarcerated student requirement.*

Implementation Date: July 2018

Responsible Person: Ralph Perri

**Special Tests and Provisions –
Verification**
(Prior Audit Issue 2014-102)

Finding 2017-103

Views of Responsible Officials:

The University agrees with the findings and recommendations as it pertains to verification. The University will develop and implement corrective actions to ensure compliance.

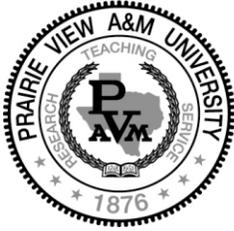
Corrective Action Plan:

The University has developed the following actions:

- *Financial Aid management has made the necessary corrections and returned funds that were a result of discrepancies found during the auditor's tests of verification for the 2016 -2017 aid year.*
- *For the 2017 -2018 aid year, Financial Aid management will conduct a complete desk audit for all students selected for verification. The Associate Director(s) and designated staff will be assigned to validate the accuracy of the verification process as per federal regulations. The desk audits for the 2017-2018 aid year will be completed by May 2018.*
- *Financial Aid management has hired designated staff whose primary duties will be processing verification.*
- *As a part of the verification monitoring process, Financial Aid management will complete verification checks and make the necessary corrections if needed to ensure the accuracy of verification of items before packaging/awarding a student.*
- *Verification checks will be documented and signed off on by the reviewer(s). This documentation will be retained with the students' verification packet.*

Implementation Date: August 2018

Responsible Person: Ralph Perri



PRAIRIE VIEW A&M UNIVERSITY

A Member of the Texas A&M University System

Special Tests and Provisions – Return of Title IV Funds

Finding 2017-104

Views of Responsible Officials:

The University agrees with the findings and recommendations as it pertains to the return of Title IV funds. The University will develop and implement corrective actions to ensure compliance.

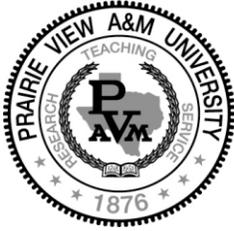
Corrective Action Plan:

The University has developed the following actions:

- *Financial Aid management has implemented and documented a process to identify unofficial withdrawals (those that have exited the University without official notification). An “All F” report will be ran utilizing the Student Information System (Banner) job that will identify all federal and non-federal aid recipients that have received end of term grades of “F” for all classes. The “All F” report will be reviewed and eligibility will be determined based on the prescribed process. The Banner unofficial withdrawal process will be conducted at the end of every term to identify students who have received “All F’s” with a “last date of attendance” that has occurred before the semester has ended. Based on the timely response of the students, the Office of Financial Aid will calculate and process the appropriate amounts of the return of Title IV funds.*
- *The Financial Aid Quality Control and Compliance Officer will work with the Registrar’s Office to ensure that all withdrawals are properly documented in the Banner system (SFAWDRL) to ensure that federal aid for a student who has withdrawn is accurately calculated, adjusted, and returned to the Title IV programs appropriately.*
- *The Financial Aid Quality Control and Compliance Officer will complete the return of Title IV funds calculations and adjustments once a week to capture withdrawals that have occurred for the week.*
- *The Financial Aid Associate Director will complete a full check of all return of Title IV funds calculations and adjustments for accuracy.*
- *Financial Aid management has corrected the payment period days that are reflected in the return of Title IV funds calculations for all terms. The Banner student system has been updated to reflect the number of spring break days to 8 days to accurately calculate the number of days of enrollment for the spring term.*
- *Financial Aid management will continue to train designated staff that complete return of Title IV funds procedures to ensure that there is continuous knowledge of the procedures, including the correct order of returning funds as required by the U.S. Department of Education.*

Implementation Date: August 2018

Responsible Person: Ralph Perri



PRAIRIE VIEW A&M UNIVERSITY

A Member of the Texas A&M University System

Special Tests and Provisions – Enrollment Reporting

Finding 2017-105

Views of Responsible Officials:

The University agrees with the findings and recommendations as it pertains to enrollment reporting. The University will develop and implement corrective actions to ensure compliance.

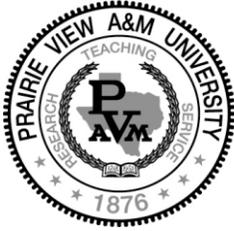
Corrective Action Plan:

The University has developed the following actions:

- *Financial Aid management has implemented and documented a process to identify unofficial withdrawals (those that have exited the University without official notification) and report them to the National Student Loan Data System (NSLDS). An “All F” report will be ran utilizing the Student Information System (Banner) job that will identify all federal and non-federal aid recipients that have received end of term grades of “F” for all classes. The “All F” report will be reviewed and eligibility will be determined based on the prescribed process. The Banner unofficial withdrawal process will be conducted at the end of every term to identify students who have received “All F’s” with a “last date of attendance” that has occurred before the semester has ended.*
- *The Registrar’s Office has updated the appropriate Banner validation form (STVRSTS) and has outlined procedures that will reflect the appropriate time status changes to ensure that all updated time status changes are accurately reported to the Clearinghouse and NSLDS. In addition, this process will be documented and updated when necessary.*
- *Financial Aid management and Registrar’s Office management have developed a monitoring process that includes reviewing the reject reports monthly.*

Implementation Date: March 2018

Responsible Person: Ralph Perri



PRAIRIE VIEW A&M UNIVERSITY

A Member of the Texas A&M University System

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

Finding 2017-106

Views of Responsible Officials:

The University agrees with your finding and recommendation as it pertains to Borrower Data Transmission and Reconciliation (Direct Loans). The University will develop and implement corrective actions to ensure compliance.

Corrective Action Plans:

The University has developed the following actions:

- *Financial Aid management and Business Office management have met and developed a communication plan that will allow both areas to address reconciliation issues in a timely manner. Working together, office representatives will determine how the monthly reconciliation responsibilities will be divided among each office. Representatives from each office will meet bi-weekly to ensure that all of the required reconciliations are being completed, documented, and reviewed and that the process is streamlined and efficient.*
- *Financial Aid management has evaluated the current student account summary (SAS) reports and reconciliation process and have identified the issues related to how Banner produces the output of the SAS reports that are utilized for the direct loan quality control process. Financial Aid management and Business Office management will review this process and make the necessary adjustments to the Banner process.*
- *Financial Aid management and Business Office management will ensure that the appropriate accesses are granted to staff so that they can accurately perform the direct loan reconciliation process (i.e. Banner, Common Originations and Disbursements, etc.).*

Implementation Date: March 2018

Responsible Person: Ralph Perri and Rod Mireles



Sam Houston State University

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM

OFFICE OF THE REGISTRAR

Special Test and Provisions – Enrollment Reporting Student Financial Assistance Cluster

Finding 2017-107

Award year – July 1, 2016 to June 30, 2017

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions,
Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program,
PO63P162301; and CFDA 84.268, Federal Direct Student Loans, P268K172301

Statistically valid sample – No and not intended to be a statistically valid sample

Type of finding – Significant Deficiency and Non-Compliance

Views of Responsible Officials:

Sam Houston State acknowledges and agrees with the findings. Through thorough analysis of the audit findings Sam Houston State is developing and implementing corrective actions to ensure timely and accurate reporting through NCS to the NSLDS.

Corrective Action Plan:

The Registrar's Office will develop a policy and procedures manual for internal processes, which will include detailed steps of the student withdraw process. All necessary staff will be trained on the proper procedures (including appropriate dates to be used). In addition, an internal audit process will be developed to review data changes in an effort to ensure accuracy.

The Registrar's Office is exploring the possibilities of submitting enrollment files to the National Clearing House (NSC) every two weeks throughout the semester beginning after census date to ensure accurate and timely reporting to NSLDS. A process will be developed to ensure reporting is completed by the required dates.

Implementation Date: February 2018

Responsible Person: Teresa Ringo



STEPHEN F. AUSTIN STATE UNIVERSITY

Office of the President

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Views of Responsible Officials:

Finding 2017-108

Stephen F. Austin State University management acknowledges and agrees with the audit findings. The University will implement the appropriate corrective action.

Corrective Action Plan:

The University will strengthen controls for Return of Title IV Funds including:

- Strengthen procedures to accurately determine the number of days in scheduled breaks and calculate returns accordingly.
- Strengthen procedures to determine the amount of Title IV funds earned and the amount to return for students who withdraw.
- Strengthen the review process for return calculations.

In addition, the University has retrained staff.

Implementation Date: January 31, 2018

Responsible Person: H. Rachele' Garrett

Texas A&M University Officials response: 2016-2017

Views of Responsible Officials: Texas A&M University acknowledges the findings in Verification. We will continue to work on improvements to mitigate and eliminate audit findings.

Finding 2017-109

Concerning the four students, the university reduced the number of household members in college. The university had interpreted their ability under the Department of Education(ED's) Quality Assurance Program to set their own verification criteria. In doing so, the university reduced the number of household members in college based on information presented on a students' verification form; for academic year 2017-2018, the university began following the ED's verification guidelines, as the Quality Assurance Program was ending. Following ED's verification guidelines rectified the issue noted above.

Corrective action plan: Continue following ED's verification guidelines.

Implementation date: Following ED's verification guidelines-November 2016

Responsible Person: Delisa Falks

Concerning the issue of one student that university did not accurately verify an education credit for \$1472.00, this was a manual error.

Corrective action plan: We have worked with our verification team to retrain and continue to complete quality checks on a sample of verification files on a regular basis to mitigate findings.

Views of Responsible Officials: Texas A&M University acknowledges the findings in Return of Title IV. We will continue to work on improvements to mitigate and eliminate audit findings.

Finding 2017-110

Concerning the three students, the university included institutional charges for after the students' withdrew or omitted institutional charges from the calculation. For one of these students who was an unofficial withdraw, the student had dining charges added after the last date of attendance-the charges should have not be included in the calculation. For two of these students the university did not include certain fees as institutional charges, which resulted in those fees being excluded in the Return of Title IV calculation.

Corrective action plan: Additional training has been provided to staff to ensure they do not include charges that are added after the last date of attendance in their Return of Title IV calculations. The University is also reviewing all charges to ensure those that should be included in calculations are coded correctly.

Implementation date: September 2017/ review of codes February 2018

Responsible person: Delisa Falks

Concerning the one student, the university incorrectly calculated the total number of class days in the semester, which resulted in the university returning \$39 less that it should have. After auditors brought that error to the University's attention, it returned those funds to the U. S. Department of Education; therefore, there were no questioned cost.

Corrective action plan: Additional training has been provided to the individuals who process Return of Title IV, and additional information to be reviewed has been included in the quality check process.

Implementation date: September 2017

Responsible person: Delisa Falks

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Views of Responsible Officials: Texas A&M University acknowledges the findings in Enrollment Reporting. We will continue to work on improvements to mitigate and eliminate audit findings.

Finding 2017-111

Concerning the one student enrolled but never attended the fall 2016 term, in which we correctly reported the student never attended to NSLDS, however NSC changed the student's status to withdrawn in a subsequent report submission.

Corrective Action Plan: Students with a "Never Attended" status will have their NSLDS enrollment history records updated with this status on two consecutive days. Reporting these students twice to NSLDS as "Never Attended" will result in their being dropped from the SSCR and their enrollment status will no longer be requested from the NSC. This will prevent any overwrite of a manually entered status by one reported by the NSC.

As an added measure, students with these status updates directly to NSLDS will be monitored for accuracy throughout the semester.

Implementation Date: October 2017

Responsible Person: Venesa Heidick

For the one student the University incorrectly reported the effective date for the student's enrollment status in the spring 2017 term due to a manual error it made in reporting the term start date.

Corrective Action Plan: Term start and end dates will be verified within the student information system and cross-checked, with Scholarships & Financial aid prior to the start of each term to ensure all dates are correct and consistent when enrollment reporting begins for that term.

Implementation Date: May 2017

Responsible Person: Venesa Heidick

Eligibility
Activities Allowed or Unallowed
Cash Management
Special Tests and Provision – Institutional Eligibility

Cost of Attendance

Finding 2017-112

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:

As of May 2017, the University appointed a new Director of Scholarships and Financial. With new leadership, the inaccuracy and inconsistency with calculating Cost of Attendance were identified and immediately corrected. Additionally, new budget tables were established and new practices, as well as strategies, were developed and implemented to streamline budgeting for proper awarding. The following corrective actions will also be implemented to address all findings related to Cost of Attendance: (1) To further improve consistency, the Office of Scholarships and Financial Aid will develop monitoring reports to be run after census date to conduct Quality Control and identify any students whose budget information is not consistent with census enrollment statuses, and (2) The management team in the Office of Scholarships and Financial Aid will also conduct Quality Control on COA budgets that were manually adjusted to ensure accuracy and consistency with the department's established budget tables.

Implementation Date: February 2018

Responsible Person: Angelika Williams

Other Compliance Requirements

General Controls

The University did not appropriately restrict access to the server and database levels for its student financial assistance system, Banner

Views of Responsible Officials:

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to



TEXAS A&M UNIVERSITY
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help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Reporting

Finding 2017-113

Federal Pell Grant Reporting

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:

As of May 2017, the University appointed a new Director of Scholarships and Financial. With new leadership, concerns with Federal Pell Grant reconciliation were identified and a monitoring report was immediately implemented. Additionally, new practices, as well as strategies, were developed and implemented for correcting the process of Federal Pell Grant Reporting. The following corrective actions will also be implemented to improve Federal Pell Grant Reconciliation: (1) The Office of Scholarships and Financial Aid will continue monitoring Federal Pell Grant disbursements from Banner to COD for ensuring disbursement records are reported to COD within 15 business days, (2) The Office of Scholarships and Financial Aid will also develop a process and procedures for reviewing the COD Grant Data reports, (3) The management team in the Office of Scholarships and Financial Aid will review and compare the monitoring reports from Banner against the COD Grant Data reports to identify and resolve any discrepancies and (4) The Office of Scholarships and Financial Aid will work collaboratively with other offices, such as Accounting Services and Student Business Services, to reconcile between the financial systems and COD.

Implementation Date: February 2018

Responsible Person: Angelika Williams

General Controls

The University did not appropriately restrict access to the server and database levels for its student financial assistance system, Banner

Views of Responsible Officials:

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.



TEXAS A&M UNIVERSITY
SAN ANTONIO

ANGELIKA WILLIAMS

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Implementation Date: *June 2018*

Responsible Person: *Sarah LeNoir*

Special Tests and Provisions – Verification

Finding 2017-114

Verification of Applications

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:

Additional training will be provided to Financial Aid staff on verification procedures and required documentation needed from students/parents to ensure all information is required and received in order to accurately complete verification of student files. On a monthly basis, the Associate Director will conduct Quality Control of sample/selected files to ensure accuracy and make certain all required information/documentation has been received.

Implementation Date: February 2018

Responsible Person: Angelika Williams and Sylvia Alafa

General Controls

The University did not appropriately restrict access to the server and database levels for its student financial assistance system, Banner

Views of Responsible Officials:

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

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

Finding 2017-115

Transfer Monitoring

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 management team within the Office of Scholarships and Financial Aid will implement procedures for ensuring students' NSLDS history is reviewed prior to disbursements.

Implementation Date: February 2018

Responsible Person: Angelika Williams

Disbursement Notification Letters

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 generation of Disbursement Notification Letters has been moved to an automated process. The disbursement notification jobs are scheduled to run daily at 10:30 p.m. As a result, this job is no longer a manual process. Additionally, the new automated process generates email notifications that allow the Office of Scholarships and Financial Aid Management Team and Financial Aid System Analysts to confirm the successful process of the disbursement notification jobs. After the job processes, a student log is also generated and will be evaluated via Quality Control by the Office of Scholarships and Financial Aid Management Team and Financial Aid System Analysts.

Implementation Date: February 2018

Responsible Person: Angelika Williams

General Controls

The University did not appropriately restrict access to the server and database levels for its student financial assistance system, Banner

Views of Responsible Officials:



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The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Special Tests and Provisions – Return of Title IV Funds

2017-116

Return of Title IV Calculations

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:

Additional training will be provided to Financial Aid staff on federal regulations related to the number of days in the payment period while considering scheduled breaks. Also, Financial Aid staff will receive training on calculating institutional charges. The management team in the Office of Scholarships and Financial Aid will conduct monthly quality control to ensure the accuracy of Return of Title IV calculations.

Implementation Date: February 2018

Responsible Person: Angelika Williams

General Controls

The University did not appropriately restrict access to the server and database levels for its student financial assistance system, Banner

Views of Responsible Officials:

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

Special Tests and Provisions – Enrollment Reporting

Finding 2017-117

Enrollment Reporting

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 already implemented significant process enhancements in this area. Additional reports will be processed to compare actual statuses and status changes to enrollment reports submitted to the National Student Clearinghouse. Also, the Registrar's Office and Office of Scholarships and Financial Aid will work collaboratively to ensure withdrawal dates are reported in a timely manner.

Implementation Date: January 2018

Responsible Person: Rachel Montejano Angelika Williams

General Controls

The University did not appropriately restrict access to the server and database levels for its student financial assistance system, Banner

Views of Responsible Officials:

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir

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

Finding 2017-118

Borrower Data Transmission and Reconciliation

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:

As of May 2017, the University appointed a new Director of Scholarships and Financial. With new leadership, concerns with Federal Direct Loans reconciliation were identified and a monitoring report was immediately implemented. Additionally, new practices, as well as strategies, were developed and implemented for correcting the process of Federal Direct Loans Reporting. The following corrective actions will also be implemented to improve Federal Direct Loan Reconciliation: (1) The Office of Scholarships and Financial Aid will continue monitoring Federal Direct Loan disbursements from Banner to COD for ensuring disbursement records are reported to COD within 15 business days, (2) The Office of Scholarships and Financial Aid will also develop a process and procedures for reviewing the SAS files by the U.S. Department of Education, (3) The management team in the Office of Scholarships and Financial Aid will review and compare the monitoring reports from Banner against the SAS data to identify and resolve any discrepancies and (4) The Office of Scholarships and Financial Aid will work collaboratively with other offices, such as Accounting Services and Student Business Services, to reconcile between the financial systems and COD.

Implementation Date: February 2018

Responsible Person: Angelika Williams

General Controls

The University did not appropriately restrict access to the server and database levels for its student financial assistance system, Banner

Views of Responsible Officials:

The University acknowledges the findings. The University recognizes the importance of strong system access controls, whether the system is hosted on-site or by third parties such as Ellucian. Accordingly, the University will work to develop and implement improved access controls to Banner servers and databases, limiting access to the fewest number of people practicable.

Corrective Action Plan:

The University will continue to work with the A&M System Chief Information Officer and Chief Information Security Officer to improve existing security controls in order to appropriately limit the number of employees and contractors with server and database access in Banner. While the University currently monitors the contractor to help ensure that access to the information systems is appropriately limited to users based on their job



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responsibilities, additional steps will be taken to determine the appropriate number of contractor employees with access to Banner servers and databases.

Implementation Date: June 2018

Responsible Person: Sarah LeNoir



Student Financial Aid Cluster
Award year- July 1 2016 to June 30, 2017

Finding 2017-119

- **Cost of Attendance**

Recommendations:

Strengthen controls to ensure that it properly assigns COA components and does not overaward financial assistance to students

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

Texas Southern University has updated the batch posting process to ensure students in each category are properly identified when posting loan fees. The University is developing a monitoring report to assist in reviewing the accuracy of the budget components for consistency and accuracy based on program, term of enrollment, level and classification.

Implementation Date: April 2018

Responsible Person: Ms. Linda Ballard

- **Satisfactory Academic Progress**

Recommendations:

Consistently and accurately apply SAP policy to ensure that it assigns students the correct SAP status.

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

For one student the Financial Aid Counselor manually updated the SAP status from suspension to meeting satisfactory academic progress for the term. Texas Southern University will provide enhanced, specialized training of the Financial Aid staff on Satisfactory Academic Progress.

For one student the academic record for a prior institution was not reported until the following academic year. The SAP status was not retroactively calculated for the prior year and the financial aid left in state. The student was accurately placed on SAP suspension in the active aid year. The University is researching best practices within the industry and consulting with the U.S. Department of Education to develop a policy that will address any future occurrences of this same nature.



Implementation Date: May 2018

Responsible Person: Ms. Linda Ballard

- **TEACH Grant**

Recommendations:

Disburse TEACH Grant funds only to eligible students.

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

The financial aid unit will strengthen disbursement controls to ensure GPA is monitored and validated at the time of disbursement to ensure that eligibility requirements are met when awarding TEACH Grant funds.

Implementation Date: March 2018

Responsible Person: Ms. Linda Ballard

- **Other Compliance Requirements**

Appropriately limit access to its student financial assistance information system to users based on their job responsibilities and employment status

Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited to users based on their job responsibilities and employment status.

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

The Office of Information Technology will perform a weekly security review with the technology service provider, Ellucian. The Office of Technology will verify on a monthly basis, that all terminated contractor accounts with system and/or administrative access are removed and that existing accounts have the appropriate access, which will be evident in the job description/responsibilities for such roles/profiles or end users.

Implementation Date: March 2018

Responsible Person: Mr. Luis Villarreal Ms. Robin Brown

The Office of Information Technology is currently in the process of conducting a review of all database administrator-level service accounts held by contractors, Ellucian. The Office of Information Technology



will work with its contractor to change all accounts that should not have database administrator-level service access. The Office of Information Technology will implement controls to ensure that Ellucian identifies end users with access to all of the remaining database administrator-level service accounts, and that the purpose for such access is identified/documentated in the job description.

Implementation Date: February 2018

Responsible Person: Mr. Luis Villarreal Ms. Robin Brown

- **Verification of Applications**

Finding 2017-120

Recommendation

Accurately update its records when it performs verification and request updated ISIRs when required. Strengthen its monitoring of the verification process to ensure that it makes corrections when required.

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

Currently, the ISIRS are exported on every student that has an update to the file for changes affecting 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) benefits, 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 80, number 123). The records not sent during the auditing period exceeded September 9, 2017 due to the timing of the review. September 9 is the official cut-off date for submitting corrections to the Common Origination and Disbursements. No exceptions were identified or found with the actual transmission/receipt of corrections for files (a technical control managed by Ellucian).

Texas Southern will enhance monitoring controls in this area of compliance and implement modifications where appropriate based on regulatory updates and/or best practices within the industry. Additionally, the BANNER system is monitored throughout the year. Corrections are not accepted and paid until the BANNER generated system EFC and the EFC returned on the ISIR record are equal to ensure the BANNER system continues to produce accurate calculations. Validation checks will be performed when the EFC and ISIR data changes.

Texas Southern University will performed enhanced training of its Scholarships & Financial Aid staff on these verification controls. Additionally, a quality assurance process will be implemented a (sample) portion of the total verification population to identify errors more readily.

Implementation Date: March 2018

Responsible Person: Ms. Linda Ballard



- **Other Compliance Requirements**

Appropriately limit access to its student financial assistance information system to users based on their job responsibilities and employment status

Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited to users based on their job responsibilities and employment status.

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

The Office of Information Technology will perform a weekly security review with the technology service provider, Ellucian. The Office of Technology will verify on a monthly basis, that all terminated contractor accounts with system and/or administrative access are removed and that existing accounts have the appropriate access, which will be evident in the job description/responsibilities for such roles/profiles or end users.

Implementation Date: March 2018

Responsible Person: Mr. Luis Villarreal Ms. Robin Brown

The Office of Information Technology is currently in the process of conducting a review of all database administrator-level service accounts held by contractors, Ellucian. The Office of Information Technology will work with its contractor to change all accounts that should not have database administrator-level service access. The Office of Information Technology will implement controls to ensure that Ellucian identifies end users with access to all of the remaining database administrator-level service accounts, and that the purpose for such access is identified/documentated in the job description.

Implementation Date: February 2018

Responsible Person: Mr. Luis Villarreal Ms. Robin Brown

- **Enrollment Reporting**

Finding 2017-121

Recommendations:

Develop and Implement a process to report three-quarter time enrollment statuses to NSLDS.
Establish and implement controls to help ensure that status changes are reported to NSLDS accurately and in a timely manner.
Accurately report status changes and effective dates to NSLDS in a timely manner.

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below. Accurately Report status changes and effective dates to NSLDS in a timely manner.



Corrective Action Plan:

Texas Southern has conducted a review to ensure the three-quarter time course load for graduate and undergraduate time statuses are correctly established in the BANNER system. The reporting process has been updated to capture the enrollment status. To further enhance the reporting capabilities, key personnel have been granted direct access to the National Student Loan Database to enhance the on-line reporting capabilities. Deadlines have been imposed and monitored to ensure the timely reporting of grades lessening the possibility of late reporting. TSU is also researching best practices to determine how it may further enhance the timely reporting of grade changes based on industry standards in higher education.

Implementation Date: May 2018

Responsible Person: Mrs. Marilyn. Square

- **Other Compliance Requirements**

Appropriately limit access to its student financial assistance information system to users based on their job responsibilities and employment status

Appropriately monitor its contractor to help ensure that access to its information systems is appropriately limited to users based on their job responsibilities and employment status.

Views of Responsible Officials:

Texas Southern University agrees with the finding. The corrective active plan to improve the processes based on the stated recommendations are provided below.

Corrective Action Plan:

The Office of Information Technology will perform a weekly security review with the technology service provider, Ellucian. The Office of Technology will verify on a monthly basis, that all terminated contractor accounts with system and/or administrative access are removed and that existing accounts have the appropriate access, which will be evident in the job description/responsibilities for such roles/profiles or end users.

Implementation Date: March 2018

Responsible Person: Mr. Luis Villarreal Ms. Robin Brown

The Office of Information Technology is currently in the process of conducting a review of all database administrator-level service accounts held by contractors, Ellucian. The Office of Information Technology will work with its contractor to change all accounts that should not have database administrator-level service access. The Office of Information Technology will implement controls to ensure that Ellucian identifies end users with access to all of the remaining database administrator-level service accounts, and that the purpose for such access is identified/documentated in the job description.

Implementation Date: February 2018

Responsible Person: Mr. Luis Villarreal Ms. Robin Brown

Views of Responsible Officials:

Finding 2017-122

The University acknowledges the two specific issues identified and fully supports the recommendation. Through analysis of the exceptions identified during the audit, it was determined to be user error scenarios. The University will take corrective action to help ensure adherence to the change management processes.

Corrective Action Plan:

A communication will go out to all Technology Resources staff reiterating the importance of change management process adherence and will include an attached copy of the Technology Resources Change Management Process documentation.

Implementation Date: December 15, 2017

Responsible Person: Mark A. Hughes



Special Tests and Provisions - Verification

Finding 2017-123

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 revised verification forms to allow for the source(s) of other untaxed income to be specified.*
- *We have implemented an ad hoc report to identify students selected for verification on a subsequent ISIR. The report is reviewed weekly and ISIRs are loaded if necessary.*
- *We have updated tracking group rules to apply selected ISIR status update to prevent further disbursement until student file has been reviewed.*

Implementation Date: August 2017

Responsible Person: Shannon Crossland and Ben Montecillo

Special Tests and Provisions – Return of Title IV Funds

Finding 2017-124

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 updated our ad hoc reporting with the assistance of Student Business Services to ensure inclusion of all institutional charges. Annual review of report parameters will be a component of the aid year and calendar set up.*
- *Training regarding post withdrawal disbursement regulations and procedures was administered with responsible staff.*
- *We will continue to ensure accurate information is used for return calculations.*

Implementation Date: August 2017

Responsible Person: Shannon Crossland and Cathy Sarabia

Eligibility
Special Tests and Provisions - Institutional Eligibility
Activities Allowed or Unallowed
Cash Management
Reporting
(Prior Audit Issue 2016-123)

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:

Regarding Cost of Attendance (COA) findings, the University will conduct additional staff training and ensure that it consistently follows its process to correctly calculate students' COA budgets.

Regarding SAP findings, the University will update its SAP policy, including a description of how a student's GPA and pace of completion are affected by course incompletes, withdrawals, or repetitions, and ensure that it calculates SAP in accordance with its SAP policy by evaluating pace on a cumulative basis. Additionally, a procedure has been established to re-evaluate a student's SAP status when it receives additional information that may have an effect on SAP reviews.

Regarding Federal Direct Loan and Pell Grant findings, additional staff training will be conducted, and modifications will be made to the system eligibility rules used to validate eligibility to ensure that Subsidized Direct Loans and Pell Grant awards are only made to undergraduate students in the correct amounts. Additionally, procedures will be implemented to ensure that annual and aggregate loan limits are not exceeded during manual awarding.

Implementation Date: April 15, 2018

Responsible Person: Governor Jackson

Regarding controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

**Special Tests and Provisions - Verification
(Prior Audit Issue 2016-124)**

Finding 2017-126

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 will conduct additional staff training, modify its procedures to ensure that all required FAFSA information is verified accurately, improve its process for monitoring completed verifications to ensure that it identifies and corrects errors, and requests updated ISIRs when required.

Implementation Date: April 15, 2018

Responsible Person: Governor Jackson

Regarding controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

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

Finding 2017-127

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 conduct additional staff training and modify its procedures to ensure that NSLDS information is reviewed prior to the disbursement of financial assistance to students who transfer to the University during an award year and document that review.

Implementation Date: April 15, 2018

Responsible Person: Governor Jackson

Regarding controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

**Special Tests and Provisions – Return of Title IV Funds
(Prior Audit Issue 2016-125)**

Finding 2017-128

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 conduct additional staff training and modify its procedures to ensure the amount of Title IV funds to be returned is calculated accurately and that the appropriate payment periods are used for courses offered in modules.

The University's review process has been strengthened to ensure that Return of Title IV Funds calculations are conducted accurately and timely. Additionally, post-withdrawal disbursement notifications have been revised to ensure all required information is included.

Implementation Date: April 15, 2018

Responsible Person: Governor Jackson

Regarding controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

Special Tests and Provisions – Enrollment Reporting
(Prior Audit Issue 2016-126)

Finding 2017-129

Views of Responsible Officials:

The University acknowledges and agrees with the findings that the withdrawal date used was the last day of the term rather than the last day of the student's respective attendance.

Regarding the graduated status not being reported to NSLDS, the University acknowledges that the status eventually was not reflected in NSLDS, however, the University maintains that it was reported within the proper timeframe to the National Student Clearinghouse (NSC) and, in turn, the NSC did report the status to NSLDS. However, because the student re-enrolled immediately after graduation, the new status reflecting the enrollment of the student in the subsequent semester took priority over the graduated status due to the timing of the reporting. These issues were both addressed as a result of the 2016 audit; however, the 2017 audit was reviewing data from the time period during the 2016 audit, so the data did not reflect the subsequent changes and corrections to the processes.

Corrective Action Plan:

The University implemented significant process enhancements in this area in response to the 2016 audit and prior to the start of the 2017 audit. To address the issue with timing of the graduated status before the student re-enrolls, the University now sends multiple files to the NSC to accelerate the reporting of the graduated status of students before subsequent enrollment statuses are reported to NSLDS. Specifically, a graduates-only file is sent to the National Student Clearinghouse prior to the start of the subsequent term that reflects the students on the previous term's enrollment files with the new graduated status. Second, a degree-verify file representing all new graduates, whether enrolled in the previous term or not, is also submitted to the NSC prior to the first enrollment file of the subsequent term. This should ensure the graduated status precedes any subsequent new enrollment statuses.

For the unofficial withdrawals, the Registrar and the Office of Financial Aid have developed a communication process where Financial Aid will notify the Registrar when it has been confirmed that a student stopped attending at a date prior to the last day of the term. The Registrar then updates the Clearinghouse with the new withdrawal date, and the Clearinghouse updates NSLDS.

Implementation Date: December, 2016

Responsible Person: Robert Lothringer

Regarding controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

**Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)
(Prior Audit Issue 2016-127)**

Finding 2017-130

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 implemented a Direct Loan reconciliation process between its financial records and DLSS, including the cash detail and cash summary portions, to ensure financial records comply with federal requirements.

Implementation Date: September 1, 2017

Responsible Person: Carolyn Whitlock
Barbara Newton

Regarding controls over the change management process, as of April 2017, the University had strengthened controls over its change management process. It limited the number of developers who had Colleague mnemonics that allowed for migration of code into production. Change management procedures were updated to address roles and responsibilities for change control and separation of duties.

Implementation Date: April 15, 2017

Responsible Person: Corina R. Trevino

UNIVERSITY of HOUSTON
OFFICE OF SCHOLARSHIPS & FINANCIAL AID

Eligibility

Finding 2017-131

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:

Configure PeopleSoft to align with its Satisfactory Academic Progress 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:

In order to ensure compliance and accuracy with SAP requirements, we have changed our procedures to annually compare our satisfactory academic progress setup values in PeopleSoft with those values provided by Institutional Reporting.

Implementation Date: November 2017

Responsible Person: Scott Moore

Recommendation:

Include all required elements in its SAP policy.

Corrective Action Plan:

We have updated our Satisfactory Academic Progress policy to include all required elements.

Implementation Date: November 2017

Responsible Person: Scott Moore

Recommendation:

Establish and implement controls to prevent disbursement of student financial assistance to students who are under a SAP suspension.

UNIVERSITY of HOUSTON
OFFICE OF SCHOLARSHIPS & FINANCIAL AID

Corrective Action Plan:

Systematic measures exist to prevent the disbursement of student financial assistance to students who are under a SAP suspension. As a result of this recommendation, a query has been created that looks for students working through the various work-study programs who are under a SAP suspension. This query is run prior to the start of each semester to ensure that students on SAP suspension have their work-study eligibility appropriately canceled.

Implementation Date: November 2017

Responsible Person: Lear Hickman

Recommendation:

Establish and implement controls to prevent disbursement of Federal Work-Study funds to students who are not enrolled.

Corrective Action Plan:

We have updated our query to identify FWS recipients who have withdrawn or are not enrolled in at least six credit hours. Additionally, the timetable for running that query has been updated; it is run bi-weekly upon completion of the payroll process to ensure additional accuracy.

Responsible Party: Lear Hickman

Implementation Date: October 2017

Recommendation:

Award students Federal Pell Grant assistance based on actual enrollment.

Corrective Action Plan:

The disbursement schedule has been adjusted by adding an extra day between the Official Recording Date and the beginning of the disbursement process to improve the accuracy of all Pell Grant disbursements. In addition, changes have been made to the query to identify potentially-erroneous disbursements for review by financial aid staff, and additional holds have been created to prevent disbursement until that review has occurred.

UNIVERSITY of HOUSTON
OFFICE OF SCHOLARSHIPS & FINANCIAL AID

Responsible Party: Frank Gomez, Lety Gallegos, Scott Moore

Implementation Date: August 2017

Recommendation:

Award FSEOG assistance only to eligible students.

Corrective Action Plan:

The process of monitoring and reconciling FSEOG has been revised. A report is run to identify potentially-ineligible FSEOG awards prior to running the disbursement process each semester.

Responsible Party: Scott Moore

Implementation Date: August 2017

Special Tests and Provisions – Verification

Finding 2017-132

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:

Accurately verify all required FAFSA information for students selected for verification and make changes based only on the supporting documentation that students provide.

Corrective Action Plan:

The policy and procedure manual for verification has been updated to include guidance on the treatment of household size for all dependent students. The information is available on the website as a guide for students to follow during the verification process, as well.

Responsible Party: Frank Gomez and Scott Moore

UNIVERSITY of HOUSTON
OFFICE OF SCHOLARSHIPS & FINANCIAL AID

Implementation date: December 2017

Recommendation:

Establish and implement an effective monitoring process for verification.

Corrective Action Plan:

Verification files will be randomly pulled and audited internally by senior staff each month to improve accuracy and determine needed training opportunities. Errors and issues will be dealt with as soon as they are identified.

Responsible Party: Frank Gomez

Implementation Date: March 2018

Special Tests and Provisions—Return to Title IV Funds

Finding 2017-133

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:

Accurately determine students' withdrawal dates and calculate the amount of Title IV funds earned to be returned.

Corrective Action Plan:

Processes and procedures for the return of Title IV funds have been revised to more accurately determine and calculate students' withdrawal dates. In addition, the director of Scholarships and Financial Aid IT has been working closely with the Office of the University Registrar on the academic calendar to ensure that all return to Title IV funds processing is accurate, timely and compliant.

Responsible Party: Frank Gomez, Lety Gallegos

Implementation Date: December 2017

UNIVERSITY of **HOUSTON**
OFFICE OF SCHOLARSHIPS & FINANCIAL AID

Recommendation:

Develop and implement controls to prevent its student financial assistance system from disbursing Title IV assistance to withdrawn students prior to performing a return of Title IV funds calculation.

Corrective Action Plan:

SFA has now implemented a system by which holds are placed on all students who receive all “no credit” grades. This process will prevent disbursement of funds to any student who has not earned a passing grade, until SFA can make a determination on the student’s eligibility for funds after the term has ended.

Responsible Party: Frank Gomez, Lety Gallegos

Implementation Date: December 2017

Recommendation:

Complete post-withdrawal disbursements when required.

Corrective Action Plan:

Staff members who process return of Title IV funds calculations have been trained to carefully identify students who are eligible for post-withdrawal disbursements, and emails are sent to students informing them of their eligibility, as well as communicating the next steps in the process.

Responsible Party: Frank Gomez

Implementation date: May 2017

Recommendation:

Return Title IV funds within required time frames.

Corrective Action Plan:

The query used to identify students with all “no credit” grades was revised to more accurately identify students who have not earned a passing grade. Accurately identifying these students at the beginning of the return of Title IV process will result in funds being returned within the required time frames.

Responsible Party: Frank Gomez, Lety Gallegos

Implementation date: December 2017

Recommendation:

Strengthen its monitoring process to ensure the accuracy of its return of Title IV funds calculations.

Corrective Action Plan:

The return of Title IV calculation process has been improved by adding secondary reviews of all calculations, in addition to random review by the assistant director of federal processing.

Responsible Party: Frank Gomez

Implementation Date: December 2017

Special Tests and Provisions – Enrollment Reporting

Finding 2017-134

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:

The University should accurately report the effective dates for all enrollment status changes and report enrollment status changes to NSLDS in a timely manner.

Corrective Action Plan:

UNIVERSITY of **HOUSTON**
OFFICE OF SCHOLARSHIPS & FINANCIAL AID

The Offices of the University Registrar and Scholarships and Financial Aid have established a regularly-scheduled meeting at the end of every term to review all unofficial withdrawals to help ensure that accurate withdrawal dates are reported to NSLDS in a timely manner.

Implementation Date: January, 2018

Responsible Person: Debbie Henry

Special Tests and Provisions – Verification

Prior Audit Issue 2016-132)

Finding 2017-135

Verification Views of Responsible Officials:

Management acknowledges the findings and recommendations. The University will work to develop and implement the corrective action plan.

Verification Corrective Action Plan:

Management reviewed the recommendations and updated its verification procedures.

Implementation Date: August 2017

Responsible Person(s): Dena Guzman-Torres and Lacey Thompson

ITSS General Controls Views of Responsible Officials:

The University acknowledges the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective actions.

ITSS General Controls Corrective Action Plan:

The University acknowledged that there was more than one individual who had access at the time of this audit.

Since notification by the auditors of their concerns regarding this item, the following actions have been taken:

- *Reduced the number of individuals within the information system that have access*
- *Increased restrictions to financial assistance information.*
- *Additional remediation efforts are in progress to support a more restricted environment.*

Implementation Date: December 2017

Responsible Person: Dorothy Flores

Special Tests and Provisions - Return of Title IV Funds
(Prior Audit Issue 2016-133)

Finding 2017-136

Return of Title IV 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.

Return of Title IV Corrective Action Plan:

Management updated its procedures to identify students who withdraw from modular programs and ensure calculations for Return of Title IV funds are performed. Management reviewed the manual errors with employees and made changes to improve its review, calculating and monitoring process of Return of Title IV funds.

Implementation Date: August 2017

Responsible Person(s): Melissa Boyer and Lacey Thompson

ITSS General Controls Views of Responsible Officials:

The University acknowledges the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective actions.

ITSS General Controls Corrective Action Plan:

The University acknowledged that there was more than one individual who had access at the time of this audit.

Since notification by the auditors of their concerns regarding this item, the following actions have been taken:

- *Reduced the number of individuals within the information system that have access*
- *Increased restrictions to financial assistance information.*
- *Additional remediation efforts are in progress to support a more restricted environment.*

Implementation Date: December 2017

Responsible Person: Dorothy Flores



Cash Management

Finding 2017-137

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has worked to develop and implement a corrective action to ensure compliance.

Corrective Action Plan:

The University has revised its policies and procedures to better ensure compliance with cash management requirements by strengthening controls, and adding provisions for monitoring and including refunds in its draw down calculations prior to completing a draw.

Implementation Date: November 22, 2017

Responsible Person: Stephanie Scott

General Controls

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland



Special Tests and Provisions - Verification

Finding 2017-138

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has worked to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University completed 100% review for 2017-2018 to ensure untaxed income for independent students living at home did not include an \$8,410 inclusion without a Professional Judgement as required. Staff has completed a policy and procedure review to minimize manual processing errors.

Implementation Date: October 31, 2017

Responsible Person: Lyn Kinyon

General Controls

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland



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

Finding 2017-139

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has worked to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University enhanced its student management system to delay disbursements to students 10 days before the start of a module as required effective spring 2018.

Implementation Date: January 1, 2018

Responsible Person: Karen Krause

General Controls

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland



Special Tests and Provisions – Return of Title IV Funds

Finding 2017-140

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University is in the process of reviewing its policies and procedures related to Return of Title IV Funds and Unofficial Withdrawals to minimize processing errors.

Implementation Date: November 1, 2017

Responsible Person: Beth Reid

General Controls

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland



Enrollment Reporting

Finding 2017-141

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University will be completing a full review of Enrollment Reporting Policies and Procedures.

Implementation Date: July 1, 2018

Responsible Person: Nichole Fisher

General Controls

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University is working to develop and implement corrective actions to ensure compliance.

Corrective Action Plan:

The University will be completing a review of its policies and procedures to ensure network and server access is appropriate based on job responsibilities.

Implementation Date: August 1, 2018

Responsible Person: Jeff Neyland



OFFICE OF ACCOUNTING
THE UNIVERSITY OF TEXAS AT AUSTIN

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Enrollment Reporting

Finding 2017-143

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 of Texas at Austin has adjusted the student information system software by expanding the search criteria to look for past semester withdrawal dates rather than relying on the last day of the previous semester when the institution has determined that the student is not enrolled in the given term. This will allow us to pick up the correct effective date of the withdrawal. The institution will take steps to identify students who are enrolled in the current semester but retroactively withdrew from a previous semester, and will manually update enrollment status and effective date using NSLDS web. NSC is aware of this issue and has this on their priority of enhancements. Once NSC fully supports the functionality of submitting stacked enrollments for students, we will discontinue to update NSLDS directly. NSC has been collaborating with Federal Student Aid (FSA) for clarification regarding reporting retroactive enrollment status changes and will be taking measures to address this issue in the near future.

Implementation Date: February 2018

Responsible Person: Vasanth Srinivasa

Return of Title IV Funds

Finding 2017-142

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will continue to work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The University has implemented process enhancements when reviewing the total number of days within a payment period for a specific semester. The semester dates will be reviewed by multiple staff members to ensure accuracy in determining the number of days in the semester for the R2T4 calculation. These staff member reviews will include a senior level manager.

Implementation Date: November 9, 2017

Responsible Person: Gordon Lipscomb



Office of Student
Financial Aid

Cash Management

Finding 2017-144

Views of Responsible Officials:

It is the opinion of the University that this finding is highly subjective as the Institution does have policies and procedures in place (checks and balances) to ensure that drawdown amounts reflect the accurate cash available and cumulative expenditures and reimbursements. In order to strengthen our current policies and procedures and to specifically address the auditor's concern of net cash position based on the net amount of cumulative expenditures and cumulative reimbursements as of the date of the drawdown, the University will adjust and amend its cash management policies.

Corrective Action Plan:

The Office of Student Financial Aid and the Office of Contracts and Grants have already discussed this recommendation and a draft policy is being written. A follow-up meeting is scheduled and the final policy will be implemented March 1, 2018.

Implementation Date: March 1, 2018

Responsible Persons: Gladys Chairez and Guadalupe Gomez

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Office of Student
Financial Aid -

Eligibility

Finding 2017-145

Cost of Attendance

Views of Responsible Officials:

The University concurs that in each of the three instances noted by the auditors, the staff member erroneously updated information that incorrectly adjusted the student's cost of attendance. Since human error caused these errors, the University has already provided additional guidance and training to prevent these mistakes from reoccurring again in the future.

Corrective Action Plan:

As stated above, the University has already provided additional guidance and training to prevent these cost of attendance errors from reoccurring again in the future.

Implementation Date: DONE – December 2017

Responsible Person: Gladys Chairez

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Office of Student
Financial Aid

Eligibility

Satisfactory Academic Progress

Views of Responsible Officials:

In accordance with the University's catalog, grades of "W" and grades associated with transfer credit hours are not included in the Institution's GPA calculation and, therefore, are not counted in the student's grade point average for Financial Aid SAP purposes. In order to be compliant with the state auditors' recommendation, since this information may not appear to be detailed enough for our students, the University has already incorporated this Catalog information into its current Financial Aid SAP Policy. The policy has been modified and has been posted on the Office's website.

Corrective Action Plan:

As stated above, the University has already modified its Financial Aid SAP Policy.

Implementation Date: DONE -- January 2018

Responsible Person: Gladys Chairez

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Office of Student
Financial Aid

Eligibility

Federal Supplemental Educational Opportunity Grant

Views of Responsible Officials:

The auditors identified six students who received FSEOG but did not receive Pell. The Institution identified that one of these inaccuracies was due to a manual error. For the five remaining students, in order to award additional SEOG funds, the University created a rule during the Spring semester in Banner to prevent disbursements of FSEOG to students who did not receive Pell, but the control was not activated. Immediately following the auditors' site visit, the school corrected the rule in Banner to only award FSEOG to eligible students.

Corrective Action Plan:

As stated above, the University has already activated the rule in Banner for eligibility purposes and modified its award packaging requirements.

Implementation Date: DONE – December 2017

Responsible Person: Gladys Chairez

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Office of Student
Financial Aid

Special Tests and Provisions

Finding 2017-146

Verification

Views of Responsible Officials:

The University concurs that each of the three instances, noted by the auditors, were caused by human error. Each student's file was processed by a different staff member and each erred on a different verifiable item in the verification process. As such, since human error caused these oversights, the University has already provided additional guidance and training to prevent these mistakes from reoccurring in the future.

Corrective Action Plan:

As stated above, the University has already provided additional guidance and training to prevent these verification errors from reoccurring in the future.

Implementation Date: DONE – December 2017

Responsible Person: Gladys Chairez

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Office of Student
Financial Aid

Special Tests and Provisions

Finding 2017-147

Return of Title IV Funds

Views of Responsible Officials:

The Institution concurs with the auditors' recommendations. During the 2016-2017 award year, the Return of Title IV responsibilities and oversight of this process transitioned from one manager to another and both system and human errors occurred. The University already modified the Banner student system during the auditors' site visit to accurately reflect institutional charges and the newly hired manager has strengthened and corrected the University's Return of Title IV policies and procedures.

Corrective Action Plan:

As stated above, the University has already made the necessary changes to be compliant with Return of Title IV regulations to prevent these errors from reoccurring in the future.

Implementation Date: DONE – January 2018

Responsible Persons: Gladys Chairez and Diana Valle

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Office of Student
Financial Aid

Special Tests and Provisions

Finding 2017-148

Enrollment Reporting

Views of Responsible Officials:

The University concurs with the auditors' recommendations.

Corrective Action Plan:

The University will continue to strengthen and monitor its enrollment reporting processes to remain in compliance with these regulations.

Implementation Date:

DONE – December 2017

Responsible Person:

Gladys Chairez and Nohemi Gallarzo

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Cash Management

Finding 2017-149

Views of Responsible Officials:

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 revised its draw down procedures for the Direct Loan Program. The revisions will implement a review and documentation of the net amount of cumulative disbursements and cumulative reimbursements at the time of each drawdown and forward the drawdown request to the Director of Student Financial Services for review and approval.

The University has revised its draw down procedures for the Pell Grant Program and Federal Supplemental Educational Opportunity Grants. The revisions will implement a process to ensure that we obtain sufficient information to determine, consider, document, cumulative disbursements and cumulative reimbursements as of the draw date.

Implementation Date: March 1, 2018

Responsible Person: Araceli Alvarez

Eligibility

Finding 2017-150

Views of Responsible Officials:

The University concurs with the recommendations.

Corrective Action Plan:

Consistent with the audit recommendation, the Financial Aid Office will make certain that all components of a student's cost of attendance are properly assigned by 1. Developing a query to identify a student's enrollment status on the census day in order to adjust the cost of attendance based on enrollment level 2. Ensuring that all non-resident students receive the proper budget items prior to packaging by identifying them on the packaging queries 3. Developing a query that identifies students with required loan fee adjustments.

Implementation Date: April 1, 2018

Responsible Person: Araceli Alvarez

Verification

Finding 2017-151

Views of Responsible Officials:

The University concurs with the recommendations.

Corrective Action Plan:

The Financial Aid Office will provide mandatory training to staff members responsible for verification review to ensure accuracy.

The Financial Aid Office will emphasize the importance of accuracy in the verification process by requiring a second review on each evaluation. This change will take effect immediately.

Consistent with the audit recommendation, we will strengthen our policies and procedures to include all required elements in the verification process.

Implementation Date: April 1, 2018

Responsible Person: Araceli Alvarez

Return of Title IV Funds

Finding 2017-152

Views of Responsible Officials:

The University concurs 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:

We developed a new query to help identify students who unofficially withdraw from the University, and we will work with the Registrar's office at the end of each term to determine the official withdrawal date and perform the required Return of Title IV calculation if applicable.

We agree that the award returned to the Department of Education on the Leave of Absence student was returned in error due to a regulatory misinterpretation. The Financial Aid Office will provide staff training to strengthen our process in this area to ensure future accuracy.

Implementation Date: April 1, 2018

Responsible Person: Araceli Alvarez

Enrollment Reporting

Finding 2017-153

Views of Responsible Officials:

The University acknowledges and agrees with the audit findings. The Registrar's Office continues to work closely with the NSC and NSLDS to improve the accuracy of enrollment reporting. The two employees responsible for enrollment reporting have received training and attended the FSA conference to develop a better understanding of the database and establish NSLDS contacts. These employees have also participated in NSC webinars covering enrollment reporting.

Corrective Action Plan:

The University will establish a business process to identify and accurately report to NSLDS students who unofficially withdraw from the institution.

The University has implemented system configurations that ensure the accuracy of student enrollment statuses reported to the NSLDS. We will increase the number of summer submissions to reflect accurate student enrollment in all terms.

The University will implement management and system controls to ensure that it accurately and continuously reports status changes to NSLDS.

Implementation Date: April 1, 2018

Responsible Person: Brenda Powers, Robert Jenkins



February 1, 2018

Finding 2017-154

Views of Responsible Officials:

The University acknowledges and agrees with the finding. Through analysis of the exception identified in the audit, the University has developed and implemented corrective action to further improve the process.

Corrective Action Plan:

The UTHSCSA implement the following corrective actions as of December 2017: 1) The UTHSCSA eliminated a manual look up process which contributed to the initial drawdown error. The new procedure consists of eliminating a manual entry process and replaced with a more automated pull of data from PeopleSoft (the UTHSCSA's Financial System), and upload to the PMS system. 2) UTHSCSA has implemented an additional control of a monthly reconciliation process to ensure future draws are drawn against the appropriate subaccount(s).

Implementation Date: December 2017
Responsible Person: Ralph Kaster



Views of Responsible Officials:

Finding 2017-155

The University acknowledges and agrees with the findings of this audit. The student's effective dates for the enrollment change were corrected in the National Student Loan Database System on September 14, 2017.

Additionally, the policy and procedures manual was formalized as of September 30, 2017 and includes procedures for correctly updating the effective dates at the time of an enrollment change or a student's exit from the university.

Corrective Action Plan:

The University has corrected the records and formalized their policy and procedures manual.

Implementation Date: September 30, 2017

Responsible Person: Ellen Nystrom

Cash Management Reporting

Finding 2017-156

Recommendations:

The University should:

- Draw down funds from the appropriate award year
- Strengthen controls to ensure that it draws down funds from the appropriate award year and does not draw down funds in excess of its needs
- Strengthen the documentation of its review and approval process for drawdowns of federal funds
- Strengthen its policies and procedures for cash management, including its drawdowns of federal funds

Views of Responsible Officials:

UTRGV concurs with the audit findings and is in the process of strengthening existing policies and procedures to address and correct each of the recommendations listed above.

Corrective Action Plan:

- To ensure funds are drawn down from the appropriate award year, Student Accounting Services (SAS) has created new accounting project numbers for each corresponding award year (including Pell, SEOG, TEACH, Direct Loan, and Federal CWS); this will be ongoing for future award years.

Implementation Date: October 2017

- To strengthen internal controls, ensure funds are drawn down from the appropriate award year and not exceed UTRGV's needs, SAS generates student detail data and reconciles against invoices generated in the ERP system before drawdowns are processed.

Implementation Date: September 2017

- To strengthen documentation of the review and approval process for drawdowns, SAS is now obtaining drawdown approvals via email from the Director of SAS (or designee). Additionally, SAS is in the process of creating a form to document proper review and approvals.

Implementation Date: September 2017 (email approvals) and January 2018 (form)

- To strengthen its policies and procedures for cash management, SAS will augment its current procedures manual to include detailed instructions, screenshots and other useful tools on how to request federal funds, determine amounts to draw down, record funds received, etc.

Implementation Date: March 2018

Responsible Person: Raquel Garcia

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Special Tests and Provisions- Verification

Finding 2017-157

Recommendations:

The University should:

- Accurately verify all required FAFSA information for applicants selected for verification and request updated ISIRs when required.
- Strengthen its monitoring process for verification

Views of Responsible Officials:

UTRGV concurs with the audit finding and will develop and implement the corrective action plan below to address the recommendations.

Corrective Action Plan:

- Accurately verify all required FAFSA information for applicants selected for verification and request updated ISIRs when required.

Financial Aid staff primarily responsible for verification have already received additional training on verification procedures. In addition, verification documentation will be enhanced to guide staff on how to accurately verify FAFSA information.

- Strengthen its monitoring process for verification

The University will enhance the review process of verification files completed. A random sample of students will be reviewed to ensure verification is completed in accordance with applicable regulatory requirements.

Implementation Date: April 2018

Responsible Person: Elias Ozuna

Special Tests and Provision - Return of Title IV

Finding 2017-158

Recommendations:

The University should:

- Accurately calculate and return the required amount of Title IV funds within required time frames.
- Strengthen its review process over return of Title IV calculations.
- Strengthen controls to ensure that it identifies financial assistance recipients who did not begin attendance.

Views of Responsible Officials:

UTRGV concurs with the audit finding and will develop and implement the corrective action plan below to address the recommendations.

Corrective Action Plan:

- Accurately calculate and return the required amount of 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 in regards to return of title IV calculation. Processes will run more frequently to help ensure that funds are being returned within the required time frame.

- Strengthen its review process over return of Title IV calculations.

The University will enhance the reviews of its calculations of Title IV funds required to be returned by enhancing monitoring reports to verify accuracy and timeliness of return of title IV calculations.

- Strengthen controls to ensure that it identifies financial assistance recipients who did not begin attendance.

The University has already enhanced existing reports in order to identify financial assistance recipients who did not begin attendance.

Implementation Date: April 2018

Responsible Person: Elias Ozuna

Special Tests and Provisions - Enrollment Reporting

Finding 2017-159

Recommendations:

The University should:

- Establish and implement a process to report unofficially withdrawn students to NSLDS.
- Accurately report student status changes and effective dates to NSLDS in a timely manner.
- Strengthen its controls to ensure that it reports accurate student status changes to NSLDS in a timely manner.

Views of Responsible Officials:

UTRGV concurs with the audit finding and will develop and implement the corrective action plan below to address the recommendations.

Corrective Action Plan:

- Establish and implement a process to report unofficially withdrawn students to NSLDS.

The University is expanding existing processes and has completed the NSLDS update for fall 2017 unofficial withdrawals. UTRGV will update appropriate documentation to reflect the reporting of unofficial withdrawals to NSLDS.

Implementation Date: February 2018

Responsible Person: Elias Ozuna; Sofia Montes

- Accurately report student status changes and effective dates to NSLDS in a timely manner.

Having already achieved more timely and frequent enrollment reporting in 2016-2017, focus has narrowed to scrutinize accuracy of updates to NSLDS based on current enrollment reporting mechanisms. To more accurately report status changes within allowable timeframes, the Office of Financial Aid and the Registrar have partnered to monitor student status changes and the timing of said changes reaching NSLDS. These procedures are followed by staff who regularly monitor the status changes.

Implementation Date: March 2018

Responsible Person: Jerry Martinez; Karla Flores

- Strengthen its controls to ensure that it reports accurate student status changes to NSLDS in a timely manner.

The Offices of Financial Aid and Registrar have partnered more closely to reconcile data loaded into NSLDS against data as it originated from the student information system on a regularly scheduled basis. Reconciliation efforts include accuracy of reported data for samples of students. The reconciliation team consistently visits these aspects of transmitted data.

Implementation Date: March 2018

Responsible Person: Jerry Martinez; Karla Flores

Special Tests and Provisions- Student Loan Repayments

Finding 2017-160

Recommendations:

The University should:

- Convert Federal Perkins Loans to repayment status in a timely manner and in compliance with federal requirements
- Strengthen its process to send all required notifications at required intervals

Views of Responsible Officials:

UTRGV concurs with the audit findings and is in the process of strengthening existing policies and procedures to address and correct each of the recommendations listed above.

Corrective Action Plan:

- To ensure Federal Perkins Loans are converted to repayment status in a timely manner, UTRGV uses the last date of the term as reflected in the student information system or the last date of attendance (at least half-time). Additionally, although Financial Aid (FA) provides this information, SAS will send monthly reminders to FA to inquire if any students meet this criteria.

Implementation Date: February 2017 (repayment status) and January 2018 (reminders)

- To strengthen its process of sending notifications at required intervals, SAS is now sending notices as per federal regulation schedules.

Implementation Date: May 2017

Responsible Person: Raquel Garcia

The University of Texas at San Antonio (University) did not have documentation to show that it sent disbursement notification letters to 14 (33 percent) of 43 students tested. The University had an automated process to send disbursement notification letters to students and update its financial assistance system, Banner, on a weekly basis. However, it did not run that process for the 15,306 Spring term Direct Loan and Federal Perkins Loan disbursements totaling \$40,914,995 that occurred on December 30, 2016. In January 2017, the University discovered that its automated process to send notification letters did not run, and it asserted that it then ran a manual notification process. However, the University did not update the students' records in Banner to show that it sent notification letters, and it was not able to provide documentation to support its manual run of the notification process. Not receiving notification letters could impair students' ability to cancel the loans disbursed to their accounts.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. After reviewing the automated process that sends disbursement notification letters to students, the university discovered that the process was set up term specific. Because the spring disbursements took place before the end of the fall semester, the process did not generate the disbursement letters.

Corrective Action Plan:

The University will implement the correction by removing the term specific information from the automated process. With this change, the disbursement letters will generate for any disbursement within the allowed timeframe regardless of the term for which the disbursement assigned.

Implementation Date: December 22, 2017

Responsible Person: Lisa G. Blazer

Office of Financial Aid and Scholarships

The University did not appropriately restrict access to its student financial assistance system, Banner. Specifically:

- One employee had inappropriate access to budget tables, default disbursement dates, and funding rules. That employee transferred from the financial aid office to a different department within the University, but the University did not modify that employee's access. After auditors brought that issue to the University's attention, the University removed that employee's user account.
- Four former employees had inappropriate access to Banner. The University locked those employees' user accounts within an appropriate time frame after they separated from the University; however, it did not perform its quarterly inactive user account review process (which removes user accounts after three months of inactivity) during two quarters of the year. Auditors verified that the former employees did not access Banner after they separated from the University.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. The process for ensuring employees who transfer to a different department needs enhancement to ensure appropriate access is modified per the employee's new status. The university needs more individuals who can perform the quarterly inactive user account review process to ensure no delays when primary staff members are out for extended periods of time.

Corrective Action Plan:

The University will create additional measures and develop a new process that involves the Banner Security team and the End User departments to ensure appropriate access is canceled and/or modified when an employee transfers to a new department. Additionally, the quarterly inactive user account review process will be enhanced, tracked and completed by appropriate Banner Security individuals and end users. Additional training will take place to ensure the process and timeline is completed in a timely manner.

Implementation Date: May 31, 2018

Responsible Person: Lisa G. Blazer