

**STATE OF MARYLAND**

**Single Audit Together with  
Reports of Independent Public Accountants**

**For the Year Ended June 30, 2013**

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**JUNE 30, 2013**

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## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Honorable Peter Franchot  
Comptroller of Maryland

### **Report on the Financial Statements**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Maryland (the State), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the State's basic financial statements.

### ***Management's Responsibility for the Financial Statements***

The State's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain Economic Development Loan Programs; the Maryland Lottery and Gaming Control Agency; the Maryland Transportation Authority; the Economic Development Insurance Programs; certain foundations included in the higher education component units; the Maryland Food Center Authority; the Maryland Technology Development Corporation; and the Investment Trust Fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the State, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



The financial statements that we did not audit which are listed above represent the percentages of the total assets, total net position, and total revenues of the financial statements as listed below.

	Percentage of Opinion Unit		
	Total Assets	Total Net Position	Total Operating Revenues
Business-Type Activities			
Major -			
Certain Economic Development Loan Programs	24.0 %	6.5 %	3.0 %
Maryland Lottery and Gaming Control Agency	2.1	0.1	56.9
Maryland Transportation Authority	49.0	45.5	14.4
Non-Major -			
Economic Development Insurance Programs	0.7	1.1	0.1
Total percentage of business-type activities	75.8 %	53.2%	74.4 %
Component Units			
Major -			
Certain foundations included in the higher education component units	12.7 %	14.5 %	11.6 %
Non-Major -			
Maryland Food Center Authority	0.2	0.3	0.4
Maryland Technology Development Corporation	0.2	0.1	1.8
Total percentage of component units	13.1 %	14.9 %	13.8 %
Fiduciary Funds			
Investment Trust Fund	5.4 %	6.1 %	45.3 %

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; required supplemental schedules of funding progress and employer contributions for the Maryland Pension and Retirement System, the Maryland Transit Administration Pension Plan, Maryland Transit Administration Retiree Healthcare Benefit, and Other Post-employment Benefits Plan; and the respective budgetary comparison for the budgetary general, special and Federal funds be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The combining financial statements, schedules, introductory and statistical sections, financial schedules required by law, and the Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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The combining financial statements, schedules, introductory and statistical sections, financial schedules required by law, and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining financial statements, schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion and based on the reports of the other auditors, the combining financial statements, schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections of this report and the financial schedules required by law have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Hunt Valley, Maryland  
December 13, 2013

*SB & Company, LLC*



**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Peter Franchot  
Comptroller of Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Maryland (the State), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 13, 2013.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the State's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the State's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters involving the internal control over financial reporting, which we have reported to the management of the Baltimore City Community College and the University System of Maryland in separate reports dated October 25, 2013, and November 15, 2013, respectively.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hunt Valley, Maryland  
December 13, 2013

*SB & Company, LLC*

**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Peter Franchot  
Comptroller of Maryland

### **Report on Compliance for Each Major Federal Program**

We have audited the State of Maryland (the State)'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the State's major Federal programs for the year ended June 30, 2013. The State's major Federal programs are identified in the summary of independent public accountant's results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

### ***Auditor's 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 conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

The State's basic financial statements include the operations of the Maryland Water Quality Financing Administration, an administration of the Maryland Department of the Environment; the Maryland Transportation Authority, an enterprise fund of the State; the Maryland Technology Development Corporation, a component unit of the State; and the Maryland Health Insurance Program, part of the general fund of the State, which received Federal awards that are not included in the accompanying Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of these entities because the State engaged other auditors to perform a separate audit in accordance with OMB Circular A-133.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the State's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, 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 major Federal programs for the year ended June 30, 2013.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance with the compliance requirements referred to above that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, 2013-003, 2013-004, 2013-005, 2013-006, 2013-007, 2013-008, 2013-009, 2013-010, 2013-011, 2013-012, 2013-013, 2013-014, 2013-015. Our opinion on each major Federal program is not modified with respect to these matters.

The State's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The State's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the State 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, 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 our opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

*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,





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on a timely basis. 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-003, 2013-004, 2013-005, 2013-007, 2013-008, 2013-009, 2013-010, 2013-011, 2013-012, 2013-013, 2013-15, that we consider to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Hunt Valley, Maryland  
February 28, 2014

*SB & Company, LLC*

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>US DEPARTMENT OF AGRICULTURE (USDA)</b>						
Agricultural Research: Basic and Applied Research	10.001	\$ -	\$ -	\$ 37,595		\$ 37,595
Agricultural Research: Basic and Applied Research	10.001	-	-	1,771,151		1,771,151
Pass-Through University of California, Davis	10.001	-	-	10,195		10,195
Plant and Animal Disease, Pest Control and Animal Care	10.025	-	-	2,870		2,870
Plant and Animal Disease, Pest Control and Animal Care	10.025	-	-	1,057,694		1,057,694
Wildlife Services	10.028	-	-	37,038		37,038
Conservation Reserve Program	10.069	-	-	16,041		16,041
Wetlands Reserve Program	10.072	-	-	627		627
Pass-Through Metropolitan Washington Council of Governments	10.11-DG-11420004-224	-	-	5,924		5,924
Pass-Through South Dakota State University	10.121	-	-	10,811		10,811
Contract / Other	10.12-6100-0079-CA	-	-	40,792		40,792
Contract Other	10.13-CS-11081600-019	378	-	-		378
Federal-State Marketing Improvement Program	10.156	-	-	38,771		38,771
Shell Egg Surveillance	10.162	-	-	129,173		129,173
Market Protection and Promotion	10.163	-	-	158,367		158,367
Specialty Crop	10.170	-	-	426,242		426,242
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	-	-	1,378,362		1,378,362
Sustainable Agriculture Research and Education	10.215	-	-	589,592		589,592
Pass-Through Grants - University of Vermont	10.215	-	-	8,562		8,562
Pass-Through Northeast Sustainable Agriculture Research and Education (SARE)	10.215	-	-	13,554		13,554
Institution Capacity Building Grants	10.216	25,625	-	-		25,625
Pass-Through Tennessee State University	10.216	-	-	13,318		13,318
Pass-Through Virginia State University	10.216	-	-	26,798		26,798
1890 Institution Capacity Building Grants	10.216	-	-	988,370		988,370
Pass-Through New Mexico State University	10.250	-	-	7,734		7,734
Integrated Programs	10.303	-	-	659,673		659,673
Pass-Through Cornell University	10.304	-	-	20,333		20,333
Organic Agriculture Research and Extension Initiative	10.307	-	-	102,017		102,017
Specialty Crop Research Initiative	10.309	-	-	824,008		824,008
Agricultural and Food Research Initiative (AFRI)	10.310	-	-	13,866		13,866
Pass-Through Cornell University	10.310	-	-	45,817		45,817
Beginning Farmer & Rancher Development Program	10.311	-	-	100,210		100,210
Pass-Through University of California, Davis	10.324	-	-	481,804		481,804
Agricultural Mediation Program	10.435	-	-	104,648		104,648
Outreach and Assistance for Socially Disadvantage Farmers and Ranchers	10.443	-	-	295,454		295,454
Crop Insurance	10.458	-	-	356,454		356,454
FD Chemistry & Microbiology Emergency Preparedness	10.479	-	-	149,012		149,012
Cooperative Extension Service	10.500	-	-	7,651,485		7,651,485
Pass-Through University of Nebraska	10.500	-	-	866		866
Pass-Through University of Vermont	10.500	-	-	8,558		8,558
Pass-Through Pennsylvania State University	10.500	-	-	8,638		8,638
Pass - Through University of Massachusetts- Amherst	10.500	-	-	9,241		9,241
Pass-Through Northeast Sustainable Agriculture Research and Education (SARE)	10.500	-	-	12,264		12,264
Pass-Through Northeast Center for Risk Management Association	10.500	-	-	75,070		75,070
Pass-Though Kansas State University	10.500	-	-	143,949		143,949
Food Donation	10.550	-	-	17,962,000		17,962,000
<b>Child Nutrition Cluster</b>						
School Breakfast Program	10.553	-	-	48,970,841		48,970,841
National School Lunch Program	10.555	-	-	137,103,468		137,103,468
Special Milk Program for Children	10.556	-	-	328,557		328,557
Summer Food Service Program for Children	10.559	-	-	6,619,908		6,619,908
<b>Total Child Nutrition Cluster</b>					\$ 193,022,774	
Special Supplemental Nutrition Program - WIC	10.557	-	-	115,406,365		115,406,365
Child and Adult Care Food Program	10.558	-	-	48,230,643		48,230,643
Administrative Expenses for Child Nutrition	10.560	-	-	3,091,655		3,091,655
<b>Supplemental Nutritional Assistance Program Cluster (SNAP)</b>						
Food Stamps	10.551	-	-	1,169,699,504		1,169,699,504
Administrative Funding for Food Stamp Program	10.561	-	-	57,018,920		57,018,920
<b>Total SNAP Cluster</b>					1,226,718,424	
<b>Emergency Food Assistance Program Cluster (TEFAP)</b>						
Emergency Food Assistance Program (Administrative Costs)	10.568	-	-	661,799		661,799
Emergency Food Assistance Program (Food Commodities)	10.569	-	-	6,722,389		6,722,389
<b>Total TEFAP Cluster</b>					7,384,188	
WIC Farmers' Market Nutrition Program (FMNP)	10.572	-	-	133,173		133,173
Team Nutrition Training	10.574	-	-	558,777		558,777
Farmers Market Nutrition Program (SFMNP)	10.576	-	-	200,225		200,225
WIC EBT Planning Grant	10.578	-	-	122,083		122,083
Fresh Fruit and Vegetable Program	10.582	-	-	2,848,580		2,848,580
Emerging Markets Program	10.603	-	-	81,778		81,778
Cooperative Forestry Assistance	10.664	-	-	1,854,741		1,854,741
Urban and Community Forestry Program	10.675	-	-	31,047		31,047
Urban and Community Forestry Program	10.675	-	-	46,823		46,823
Forest Legacy Program	10.676	-	-	4,493		4,493
Forest Stewardship Program	10.678	-	-	195,245		195,245
Forest Health Protection	10.680	-	-	61,316		61,316
Soil and Water Conservation	10.902	-	-	2,375		2,375
MD Farmer	10.902	-	-	30,000		30,000
Environmental Quality Incentives Program	10.912	-	-	289,102		289,102
Environmental Quality	10.912	-	-	293,083		293,083
Technical Agricultural Assistance	10.960	-	-	2,174,864		2,174,864
Scientific Cooperation and Research	10.961	-	-	1,405		1,405
International Training: Foreign Participant	10.962	-	-	81,821		81,821
Contract / Other Agricultural Research Service	10.IPA No.12040840	-	-	32,493		32,493
Agricultural Research Service	10.RD	4,154,201	-	-		4,154,201
Agricultural Marketing Service	10.RD	16,303	-	-		16,303
Animal and Plant Health Inspection Service	10.RD	486,927	-	-		486,927

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>US DEPARTMENT OF AGRICULTURE (USDA) (continued)</b>						
The National Institute of Food and Agriculture (NIFA)	10.RD	\$ 9,821,641	\$ -	\$ -		\$ 9,821,641
Pass-Through Colorado State University	10.RD	76,739	-	-		76,739
Pass-Through Cornell University	10.RD	130,151	-	-		130,151
Pass-Through Delaware State University	10.RD	1,357	-	-		1,357
Pass-Through Indiana University-Purdue University Indianapolis	10.RD	8,915	-	-		8,915
Pass-Through Johns Hopkins University	10.RD	482,988	-	-		482,988
Pass-Through Kansas State University	10.RD	4,563	-	-		4,563
Pass-Through Northeast Sustainable Agriculture Research and Education (SARE)	10.RD	29,921	-	-		29,921
Pass-Through Ohio State University	10.RD	13,519	-	-		13,519
Pass-Through Pennsylvania State University	10.RD	1,216	-	-		1,216
Pass-Through Purdue University	10.RD	2,270	-	-		2,270
Pass-Through, Rutgers, the State University of New Jersey	10.RD	19,666	-	-		19,666
Pass-Through University of California	10.RD	16,721	-	-		16,721
Pass-Through University of California, Davis	10.RD	25,638	-	-		25,638
Pass-Through University of California, Riverside	10.RD	10,873	-	-		10,873
Pass-Through University of Delaware	10.RD	44	-	-		44
Pass-Through University of Hawaii	10.RD	3,874	-	-		3,874
Pass-Through University of Illinois at Urbana-Champaign	10.RD	6,526	-	-		6,526
Pass-Through University of Maine	10.RD	596	-	-		596
Pass-Through University of Massachusetts Amherst	10.RD	72,588	-	-		72,588
Pass-Through University of New Hampshire	10.RD	2,672	-	-		2,672
Pass-Through University of Rhode Island	10.RD	17,631	-	-		17,631
Pass-Through University of Vermont	10.RD	36,458	-	-		36,458
Pass-Through Virginia Polytechnic Institute and State University	10.RD	33,791	-	-		33,791
Pass-Through Winrock International	10.RD	68,800	-	-		68,800
Economic Research Service	10.RD	201,204	-	-		201,204
Foreign Agricultural Service	10.RD	1,337,626	-	-		1,337,626
Forest Service	10.RD	336,384	-	-		336,384
Pass-Through Ohio State University	10.RD	3,595	-	-		3,595
Natural Resources Conservation Service	10.RD	56,940	-	-		56,940
Pass-Through National Fish & Wildlife Foundation	10.RD	8,110	-	-		8,110
Pass-Through University of Delaware	10.RD	19,268	-	-		19,268
National Agricultural Statistics Service	10.RD	32,655	-	-		32,655
Pass-Through American Statistical Association	10.RD	1,849	-	-		1,849
Pass-Through Colorado State University	10.RD	25,000	-	-		25,000
Pass-Through Delaware State University	10.RD	401	-	-		401
<b>Total US Department Of Agriculture</b>		<b>17,595,624</b>	<b>-</b>	<b>1,638,692,421</b>		<b>1,656,288,045</b>
<b>DEPARTMENT OF COMMERCE (DOC)</b>						
Economic Development Support for Planning Organizations	11.302	-	-	78,339		78,339
National Technical Assistance	11.303	-	-	24,381		24,381
Economic Adjustment Assistance	11.307 011903134	-	-	637,711		637,711
Economic Adjustment Assistance	11.307 014903271	-	-	1,384,699		1,384,699
Economic Adjustment Assistance	11.307 014903420-01490342001	-	-	3,556,868		3,556,868
Sea Grant Support	11.417	1,827	-	-		1,827
Coastal Zone Management Administration Awards	11.419	-	-	2,550,772		2,550,772
Coastal Zone Management Estuarine Research Reserves	11.420	-	-	695,659		695,659
Financial Assistance for National Centers for Coastal Ocean Science	11.426	-	-	643,571		643,571
Fisheries Development and Utilization Research and Development Grants and						
Cooperative Agreements Program	11.427	-	-	18,197		18,197
Pass-Through Oregon State University	11.431	-	-	5,678		5,678
Marine Mammal Data Program	11.439	-	-	7,932		7,932
Unallied Industry Projects	11.452	-	-	1,782,707		1,782,707
Unallied Management Program	11.454	-	-	40,726		40,726
Chesapeake Bay Studies	11.457	113,186	-	-		113,186
Chesapeake Bay Studies	11.457	-	-	200,696		200,696
Habitat Conservation	11.463	-	-	490,000		490,000
Tsunami Mitigation 2008	11.467	-	-	277,161		277,161
Atlantic Coastal Fisheries Cooperative Management Act	11.474	-	-	209,644		209,644
Coastal Ocean Research Program	11.478	-	-	26,248		26,248
Educational Partnership Programs	11.481	-	-	2,225,652		2,225,652
Public Safety Interop Comm Grant Program - FY 2007	11.555	-	-	1,000,744		1,000,744
Pass-Through District of Columbia Government	11.555	-	-	61,520		61,520
Broadband Technology Opportunities Program - ARRA	11.557	-	-	51,294,583		51,294,583
Pass-Through Baltimore City Public Schools	11.557	-	-	177,910		177,910
Pass-Through Maryland Broadband Cooperative, Inc	11.558	-	-	291,620		291,620
Pass-Through Maryland Broadband Cooperative, Inc - ARRA	11.558	-	-	478,912		478,912
Measurement and Engineering Research and Standards	11.609	-	-	8,250		8,250
Measurement and Engineering Research and Standards	11.609	-	-	1,308,350		1,308,350
Measurement and Engineering Research and Standards - ARRA	11.609	4,113,351	-	-		4,113,351
Manufacturing Extension Partnership	11.611	-	-	45,261		45,261
Construction Grant Program - ARRA	11.618	-	-	3,817,832		3,817,832
Contract/Other - National Oceanic and Atmospheric Administration	11.DG133E-10-SE-3188	6,411	-	-		6,411
Contract/ Other - Census Bureau	11.IPA No. 6308IPA01	-	-	9,823		9,823
Contract/Other - NIST	11.IPA No. IP0915	-	-	37,123		37,123
Contract/Other - NIST	11.IPA No. IP1206	-	-	34,312		34,312
Contract/Other - NIST	11.IPA No. IP1302	-	-	30,355		30,355
Contract/ Other - Census Bureau	11.IPA-SINHA	13,371	-	-		13,371
National Institute for Standards and Technology	11.RD	19,592,684	-	-		19,592,684
Pass-Through Prometheus Computing, LLC	11.RD	24,556	-	-		24,556
Pass-Through Utah State University	11.RD	32,886	-	-		32,886
US Census Bureau	11.RD	1,188,735	-	-		1,188,735

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF COMMERCE (DOC) (continued)</b>						
National Oceanic and Atmospheric Administration	11.RD	\$ 25,430,604	\$ -	\$ -		\$ 25,430,604
Pass-Through Chesapeake Research Consortium	11.RD	58,169	-	-		58,169
Pass-Through Florida Fish & Wildlife Conservation Commission	11.RD	50,720	-	-		50,720
Pass-Through Howard University	11.RD	265,236	-	-		265,236
Pass-Through HydroQual, Inc	11.RD	33,195	-	-		33,195
Pass-Through Oyster Recovery Partnership	11.RD	55,002	-	-		55,002
Pass-Through Partnership for Mid-Atlantic Fisheries Science	11.RD	21,385	-	-		21,385
Pass-Through Rutgers, The State University of New Jersey	11.RD	77,036	-	-		77,036
Pass-Through Research Foundation of The City University of New York	11.RD	74,361	-	-		74,361
Pass-Through Restore America's Estuaries	11.RD	9,475	-	-		9,475
Pass-Through Status Consulting	11.RD	263,334	-	-		263,334
Pass-Through Texas A&M University	11.RD	29,056	-	-		29,056
Pass-Through University Corporation for Atmospheric Research	11.RD	2,706	-	-		2,706
Pass-Through University of Massachusetts	11.RD	10,425	-	-		10,425
Pass-Through University of Massachusetts Boston	11.RD	34,549	-	-		34,549
Pass-Through University of New Hampshire	11.RD	141,086	-	-		141,086
Pass-Through University of South Carolina	11.RD	10,938	-	-		10,938
Pass-Through Virginia Institution of Marine Science	11.RD	100,277	-	-		100,277
Pass-Through Virginia Marine Resources Commission	11.RD	51,039	-	-		51,039
Pass-Through Virginia Polytechnic Institute and State University	11.RD	24,763	-	-		24,763
Pass-Through Woods Hole Oceanographic Institute	11.RD	51,286	-	-		51,286
Pass-Through Metropolitan Washington Council of Governments	11.RD	6,045	-	-		6,045
Pass-Through Prometheus Computing, LLC	11.RD	36,732	-	-		36,732
Pass-Through SP Systems	11.RD	94,134	-	-		94,134
Pass-Through University of Michigan	11.RD	63,406	-	-		63,406
Pass-Through University of Texas- Austin	11.RD	36,055	-	-		36,055
Contract/Other - National Oceanic and Atmospheric Administration	11.Unknown	-	-	17,405		17,405
Contract/ Other	11.YA132307CN0048	-	-	750,558		750,558
<b>Total Department of Commerce</b>		52,118,021	-	74,221,199		126,339,220
<b>DEPARTMENT OF DEFENSE (DOD)</b>						
Procurement Technical Assistance for Business Firms	12.002	-	-	35		35
Pass-Through Exponent, Inc.	12.0900079.00093F1-07F1	91,510	-	-		91,510
Pass-Through Neocera, Inc	12.101	191,418	-	-		191,418
Pass-Through Charles River Analytics	12.101	11,954	-	-		11,954
Pass-Through Syntonics, Inc.	12.103	13,860	-	-		13,860
Pass-Through Johns Hopkins University Applied Physics Laboratory	12.108	-	-	191,162		191,162
State Memo of Agreement Prog for Reimb of Tech Service	12.113	-	-	684,791		684,791
Collaborative Research and Development	12.114	-	-	15,335		15,335
Federal Voting Assistance Program	12.217	-	-	158,000		158,000
Basic and Applied Scientific Research	12.300	-	-	22,074		22,074
Large-Number and Individual Atom Microchip Traps for Sensor	12.300	-	-	69,019		69,019
High Atom Number in Microsized Atom Traps	12.300	-	-	88,719		88,719
Basic and Applied Scientific Research	12.300	736,850	-	-		736,850
National Guard Military Operations & Maint	12.401	-	-	15,845,363		15,845,363
National Guard Civilian Youth Opportunities	12.404	-	-	2,213,361		2,213,361
Military Medical Research and Development	12.420	-	-	32,665		32,665
Pass-Through Meso Scale Diagnostics, LLC	12.420	-	-	102,889		102,889
Basic Scientific Research	12.431	52,726	-	-		52,726
Basic Scientific Research	12.431	-	-	167,323		167,323
Pass-Through Institute of International Education	12.550	-	-	695,486		695,486
Annual Congressionally Directed Assistance	12.599	217,999	-	-		217,999
Community econ. adjustment planning asst.	12.607	-	-	177,545		177,545
Pass-through Academy of Applied Science	12.630	-	-	252		252
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	-	476,800		476,800
Basic, Applied, Advanced Research in Science & Engineering	12.630	642,871	-	-		642,871
Motor Week Energy	12.678	-	-	464,331		464,331
Air Force Defense Research Sciences Program	12.800	2,233	-	-		2,233
Air Force Defense Research Sciences	12.800	-	-	53,341		53,341
Pass-Through McDaniel College	12.900	-	-	1,650		1,650
Language Grant Program	12.900	-	-	5,000		5,000
Mathematical Sciences Grants Program	12.901	40,953	-	-		40,953
Mathematical Sciences Grant Program	12.901	-	-	1,108,927		1,108,927
Information Security Grant Program	12.902	-	-	78,476		78,476
Pass-Through Aurora Flight Sciences Corporation	12.AFS100888	70,934	-	-		70,934
Pass-Through Johns Hopkins University Applied Physics Laboratory	12.H98230-09-D-0040	101,780	-	-		101,780
Contract / Other - National Security Agency	12.H98230-11-C-0300	531,790	-	-		531,790
Contract / Other - National Security Agency	12.H98230-12-P-0646	-	-	54,178		54,178
Contract / Other - National Security Agency	12.H98230-12-P-0709	-	-	71,750		71,750
Contract / Other - National Security Agency	12.H99823007D017500	-	-	156,345		156,345
Contract / Other Defense Information Systems Agency	12.HC1047-05-D-4015	-	-	425,712		425,712
Pass-Through AECOM	12.HDTRA108D0006	23,968	-	-		23,968
Contract / Other - Defense Threat Reduction Agency	12.HDTRA1-10-C-0067	368	-	-		368
Contract/Other - United States Army Medical Research & Development	12.IPA	-	-	190,996		190,996
Contract/Other - United States Navy IPA	12.IPA No. 09092132	-	-	59,581		59,581
Contract/Other - Defense Advanced Research Projects Agency	12.IPA No. 10092424	-	-	215,430		215,430
Contract/Other - Defense Advanced Research Projects Agency	12.IPA No. 10092424	-	-	243,176		243,176
Contract / Other	12.IPA No.10123197	29,248	-	-		29,248
Contract/Other - United States Air Force IPA	12.IPA No.FIATA08182PD01	-	-	8,135		8,135
Contract/Other - United States Navy IPA	12.IPA No.N6659612IPA0004	-	-	156,054		156,054
Contract / Other US Army Corp of Engineers	12.IPA-11-0011	-	-	67,987		67,987
Contract / Other - National Security Agency	12.IPA-Nicholas	-	-	42,406		42,406
Pass-Through Kitware, Inc.	12.K000135S11	162,111	-	-		162,111
Pass-Through Athena GTX	12.N0001412C0120	173,339	-	-		173,339
Pass-Through Athena GTX	12.N0001412C0120	-	-	65,413		65,413
Contract/Other - Office of Naval Research	12.N00167-10-C-0010	134,852	-	-		134,852
Contract/Other - Office of Naval Research	12.N66001-13-C-4023	22,132	-	-		22,132
Contract/Other - United States Army	12.NAFBA113M0206	-	-	14,818		14,818

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF DEFENSE (DOD) (continued)</b>						
Defense Logistics Agency	12.RD	\$ 36	\$ -	\$ -		\$ 36
Pass-Through Advance Thermal & Environmental	12.RD	184	-	-		184
Pass-Through Samueli Institute	12.RD	922	-	-		922
Pass-Through University of Pittsburgh	12.RD	987	-	-		987
Pass-Through Perceptronics Solution	12.RD	6,234	-	-		6,234
Pass-Through Harvard University	12.RD	7,716	-	-		7,716
Pass-Through Data Tactics	12.RD	8,692	-	-		8,692
Pass-Through Virginia Polytechnic Institute and State University	12.RD	9,788	-	-		9,788
U.S. Army Research Laboratory	12.RD	11,127	-	-		11,127
Pass-Through Celadon Laboratories	12.RD	11,775	-	-		11,775
Pass-Through University of Arizona	12.RD	15,972	-	-		15,972
Pass-Through Texas A&M University	12.RD	20,292	-	-		20,292
Pass-Through Aptima, Inc	12.RD	22,466	-	-		22,466
Pass-Through American Association for the Surgery	12.RD	23,834	-	-		23,834
Pass-Through National Security Technologies LLC	12.RD	24,750	-	-		24,750
Pass-Through University of New Mexico	12.RD	28,318	-	-		28,318
Pass-Through Institute of International Education	12.RD	30,321	-	-		30,321
Pass-Through California Institute of Technology	12.RD	32,308	-	-		32,308
Pass-Through University of Michigan	12.RD	35,725	-	-		35,725
National Geospatial Intelligence Agency	12.RD	36,309	-	-		36,309
Pass-Through SRI International	12.RD	37,620	-	-		37,620
Pass-Through Hampton University	12.RD	40,104	-	-		40,104
Pass-Through Creare, Inc	12.RD	40,171	-	-		40,171
Pass-Through George Mason University	12.RD	41,412	-	-		41,412
Pass-Through Michigan State University	12.RD	44,454	-	-		44,454
Pass-Through University of Texas Health Science Center at San Antonio	12.RD	44,658	-	-		44,658
Pass-Through University of California, Irvine	12.RD	45,642	-	-		45,642
Pass-Through CoolCad Electronics	12.RD	48,804	-	-		48,804
Pass-Through Duke University	12.RD	51,150	-	-		51,150
Pass-Through FlexEL, Inc	12.RD	52,683	-	-		52,683
Pass-Through Intelligent Fusion Technology, Inc.	12.RD	53,211	-	-		53,211
Pass-Through University of Virginia	12.RD	58,624	-	-		58,624
Pass-Through General Physics Corporation	12.RD	59,437	-	-		59,437
Pass-Through Johns Hopkins University	12.RD	61,767	-	-		61,767
Pass-Through Arete Associates	12.RD	66,680	-	-		66,680
Pass-Through Massachusetts Institute of Technology	12.RD	82,832	-	-		82,832
Pass-Through Rice University	12.RD	93,536	-	-		93,536
Pass-Through Maryland Proof of Concept Alliance	12.RD	93,887	-	-		93,887
Pass-Through CACI Enterprise Solutions	12.RD	95,174	-	-		95,174
Pass-Through Materials Research & Design Inc	12.RD	97,430	-	-		97,430
Pass-Through Albany Medical Center	12.RD	98,611	-	-		98,611
Pass-Through Virginia Polytechnic Institute and State University	12.RD	105,913	-	-		105,913
Pass-Through George Washington University	12.RD	109,449	-	-		109,449
Pass-Through University of Michigan	12.RD	113,843	-	-		113,843
Pass-Through Ohio State University	12.RD	113,955	-	-		113,955
Pass-Through Rensseler Polytechnic Institute	12.RD	116,848	-	-		116,848
Department of the Army, Office of the Chief of Engineers	12.RD	122,537	-	-		122,537
Pass-Through Pennsylvania State University	12.RD	129,436	-	-		129,436
Pass-Through Johns Hopkins University	12.RD	256,590	-	-		256,590
Defense Intelligence Command	12.RD	156,337	-	-		156,337
Pass-Through Duke University	12.RD	157,580	-	-		157,580
Pass-Through Hi-Z Technology, Inc	12.RD	159,649	-	-		159,649
Pass-Through ATK Space Systems	12.RD	164,473	-	-		164,473
Pass-Through Sandia National Laboratories	12.RD	170,865	-	-		170,865
Pass-Through Niels Bohr Institute	12.RD	173,222	-	-		173,222
Pass-Through Georgetown University	12.RD	203,501	-	-		203,501
Pass-Through Pennsylvania State University	12.RD	207,640	-	-		207,640
Pass-Through Georgia Institute of Technology	12.RD	211,121	-	-		211,121
Pass-Through Massachusetts Institute of Technology	12.RD	278,361	-	-		278,361
Pass-Through BBNT Solutions LLC	12.RD	314,931	-	-		314,931
Pass-Through Geneva Foundation	12.RD	329,720	-	-		329,720
Pass-Through University of Washington	12.RD	368,662	-	-		368,662
Pass-Through Vertical Lift Consortium, Inc.	12.RD	375,546	-	-		375,546
Pass-Through Energetics Technology Center	12.RD	383,381	-	-		383,381
Pass-Through University of California, San Diego	12.RD	403,124	-	-		403,124
Pass-Through Rice University	12.RD	405,596	-	-		405,596
Pass-Through Columbia University	12.RD	450,841	-	-		450,841
Pass-Through Carnegie Mellon University	12.RD	502,902	-	-		502,902
Pass-Through Rensselaer Polytechnic Institute	12.RD	517,286	-	-		517,286
Pass-Through Raytheon Corporation	12.RD	545,657	-	-		545,657
Other Department of Defense	12.RD	693,246	-	-		693,246
Pass-Through Duke University	12.RD	715,872	-	-		715,872
Pass-Through Science Applications International Corporation (SAIC)	12.RD	748,878	-	-		748,878
Pass-Through Virginia Polytechnic Institute and State University	12.RD	839,544	-	-		839,544
Pass-Through BAE Systems Advance Information Technologies	12.RD	903,090	-	-		903,090
Pass-Through Henry M Jackson Foundation	12.RD	1,000,720	-	-		1,000,720
Pass-Through International Business Machines, Corp. (IBM)	12.RD	1,015,246	-	-		1,015,246
Air Force Office of Scientific Research	12.RD	1,907,273	-	-		1,907,273
Advanced Research Projects Agency:	12.RD	2,439,237	-	-		2,439,237
Office of the Secretary of Defense	12.RD	2,837,469	-	-		2,837,469
U.S. Army, Medical Command	12.RD	4,500,270	-	-		4,500,270
Department of the Air Force, Material Command	12.RD	12,630,357	-	-		12,630,357
Department of the Navy, Office of Chief of Naval Research	12.RD	15,669,900	-	-		15,669,900
U.S. Army, Material Command	12.RD	16,127,350	-	-		16,127,350
National Security Agency	12.RD	40,133,455	-	-		40,133,455

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b><u>DEPARTMENT OF DEFENSE (DOD) (continued)</u></b>						
Contract / Other	12.Unknown	\$ -	\$ -	\$ 20,176		\$ 20,176
Contract / Other	12.Unknown	-	-	53,981		53,981
Contract / Other - National Security Agency	12.Unknown	184,118	-	-		184,118
Pass-Through Johns Hopkins University Applied Physics Laboratory	12.W31P4Q-09-C-0566	161,722	-	-		161,722
Pass-Through Johns Hopkins University	12.W81XWH-10-1-0603	8,005	-	-		8,005
Contract/Other - Army Research Laboratory Contract	12.W911NF-10-2-0042	96,242	-	-		96,242
Contract/Other - Army Research Laboratory Contract	12.W911NF-11-2-0057	12,000	-	-		12,000
Contract/Other - Army Research Laboratory Contract	12.W911NF-11-2-0074	81,485	-	-		81,485
Pass-Through Paragon Bioservices, Inc	12.W911QY-12-C0028	627,005	-	-		627,005
Contract / Other US Army Corp of Engineers	12.W912HQ-12-C-0006	251,923	-	-		251,923
<b>Total Department of Defense</b>		<u>116,021,911</u>	<u>-</u>	<u>24,498,682</u>		<u>140,520,593</u>
<b><u>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT (HUD)</u></b>						
Department of Housing and Urban Development	14.000	-	-	15,084,592		15,084,592
Supportive Housing for Persons with Disabilities	14.181	-	-	1,577,302		1,577,302
<b>Section 8 Project-Based Cluster</b>						
Moderate Rehab	14.856	-	-	342,440		342,440
Section 8 Housing Assistance Payments Program	14.195	-	-	<u>191,681,459</u>		191,681,459
<b>Total Section 8 Project-Based Cluster</b>					\$ 192,023,899	
Community Development Block Grants/Entitlement Grants	14.218	56,986	-	-		56,986
State-Administered CDBG Cluster	14.228	-	-	12,105,364		12,105,364
Housing Assistance	14.231	-	-	850,085		850,085
Supportive Housing Program	14.235	-	-	843,317		843,317
Shelter Plus Care	14.238	-	-	4,529,869		4,529,869
HOME Investment Partnership Program	14.239	-	-	8,489,676		8,489,676
Pass-Through Baltimore City Government	14.241	-	-	59,555		59,555
Housing Opportunities for Persons with AIDS	14.241	-	-	921,573		921,573
Pass-Through City of Wilmington, Delaware	14.246	-	-	30,809		30,809
EIF Grant	14.319	-	-	17,999		17,999
Fair Housing Assistance Program: State and Local	14.401	-	-	223,914		223,914
Education and Outreach Initiatives	14.416	-	-	84,079		84,079
Doctoral Dissertation Research Grants	14.516	-	-	8		8
Pass-Through University of Louisville	14.705	-	-	29,525		29,525
Housing Voucher Cluster	14.871	-	-	17,206,218		17,206,218
Office of Policy Development and Research	14.RD	2,984	-	-		2,984
Pass-Through Morris Communications	14.RD	16,306	-	-		16,306
Pass-Through Urban Institute	14.RD	69,075	-	-		69,075
<b>Total Department Of Housing &amp; Urban Development</b>		<u>145,351</u>	<u>-</u>	<u>254,077,784</u>		<u>254,223,135</u>
<b><u>DEPARTMENT OF THE INTERIOR (DOI)</u></b>						
Contract / Other	15. Unknown	-	-	8,341		8,341
Pass-Through University of Washington	15.121	-	-	6,998		6,998
Contract / Other National Park Service	15.12P03370000258	-	-	24,530		24,530
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	-	-	719,828		719,828
Abandoned Mine Land Reclamation (AMLR) Program	15.252	-	-	3,081,142		3,081,142
DOI FY2011 Underground Mine Map Co-op Agreement	15.255	-	-	29,079		29,079
<b>Fish and Wildlife Cluster</b>						
Sport Fish Restoration	15.605	-	-	4,025,308		4,025,308
Wildlife Restoration	15.611	-	-	<u>2,820,085</u>		2,820,085
<b>Total Fish and Wildlife Cluster</b>					6,845,393	
Fish and Wildlife Management Assistance	15.608	-	-	65,657		65,657
Coastal Wetlands Planning, Protection and Restoration Act	15.614	-	-	49,000		49,000
Cooperative Endangered Species Conservation Fund	15.615	-	-	40,230		40,230
Clean Vessel Act	15.616	-	-	306,742		306,742
Sportfishing and Boating Safety Act	15.622	-	-	244,656		244,656
Coastal Program	15.630	-	-	2,614		2,614
Conservation Activities by Youth Service Organizations	15.631	-	-	60,517		60,517
Landowner Incentive	15.633	-	-	218,963		218,963
Pass-Through North Dakota Game and Fish Department	15.634	-	-	39,268		39,268
State Wildlife Grants	15.634	-	-	709,813		709,813
Endangered Species Conservation – Recovery Implementation Funds	15.657	-	-	31,715		31,715
Endangered Species Conservation – Recovery Implementation Funds	15.657	-	-	46,090		46,090
Assistance to State Water Resources Research Institutes	15.805	-	-	45		45
U.S. Geological Survey: Research and Data Acquisition	15.808	-	-	44,328		44,328
National Cooperative Geologic Mapping Program	15.810	-	-	31,533		31,533
National Geological and Geophysical Data Preservation Program	15.814	-	-	40,533		40,533
Historic Preservation Fund Grants-In-Aid	15.904	-	-	752,083		752,083
Outdoor Recreation - Acquisition, Development and Planning.	15.916	-	-	865,379		865,379
National Center for Preservation Technology & Training	15.923	-	-	84,898		84,898
NPS American Battlefield Protection	15.926	-	-	25,279		25,279
Save America's Treasures	15.929	-	-	151,735		151,735
Chesapeake Bay State Grants	15.930	-	-	120,089		120,089
Chesapeake Bay Gateways Network	15.930	-	-	9,379		9,379
Natural Resource Stewardship	15.944	-	-	7,014		7,014
Pass-Through Caroline Soil Conservation District	15.RD	4,854	-	-		4,854
Pass-Through Maryland Water Resources Research Center	15.RD	14,174	-	-		14,174
Pass-Through Association of Fish and Wildlife Agencies	15.RD	18,930	-	-		18,930
Other Department of Interior - Research and Development	15.RD	22,387	-	-		22,387
Pass-Through America View, Inc	15.RD	25,193	-	-		25,193
Pass-Through Palo Alto Research Center	15.RD	87,229	-	-		87,229
Pass-Through National Fish and Wildlife Foundation	15.RD	99,823	-	-		99,823
Pass-Through University of Texas at Austin	15.RD	178,591	-	-		178,591
U.S. Fish and Wildlife Service	15.RD	240,937	-	-		240,937
U.S. Geological Survey	15.RD	582,423	-	-		582,423
National Park Service	15.RD	627,816	-	-		627,816
<b>Total Department of the Interior</b>		<u>1,902,357</u>	<u>-</u>	<u>14,662,871</u>		<u>16,565,228</u>

The accompanying notes are an integral part of this schedule.



STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b><u>DEPARTMENT OF JUSTICE (DOJ)</u></b>						
Contract / Other	16.000	\$ -	\$ -	\$ 2,341,876		\$ 2,341,876
Marijuana Eradication	16.004	-	-	97,896		97,896
Judicial Education Project(G21F5)	16.013	-	-	9,158		9,158
Sexual Assault Services Formula	16.017	-	-	230,654		230,654
Offender Reentry Program	16.202	-	-	79,626		79,626
Juvenile Accountability Incentive Block Grants	16.523	-	-	680,156		680,156
Reduce Violent Crimes Against Women on Campus	16.525	-	-	163,624		163,624
Safe Havens for Children	16.527	-	-	79,005		79,005
Juvenile Justice and Delinquency Prevention: Allocation to States	16.540	-	-	613,009		613,009
Juvenile Justice and Delinquency Prevention	16.541	-	-	84,714		84,714
Missing Children's assistance	16.543	-	-	218,119		218,119
Title V: Delinquency Prevention Program	16.548	-	-	80,415		80,415
MD Justice Statistics Program - SACS	16.550	-	-	23,904		23,904
National Criminal History Improvement Program (NCHIP)	16.554	-	-	265,815		265,815
Crime Victim Assistance	16.575	-	-	7,205,834		7,205,834
Crime Victim Compensation	16.576	-	-	292,215		292,215
Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grant	16.580	-	-	838,791		838,791
Drug Court Discretionary Grant Program	16.585	-	-	420,539		420,539
Pass-Through Governor' Office of Crime Control & Prevention	16.588	-	-	7,500		7,500
Violence Against Women Formula Grants	16.588	-	-	2,613,896		2,613,896
Residential Substance Abuse Treatment for State Prisoners	16.593	-	-	475,943		475,943
State Criminal Alien Assistance Program	16.606	-	-	1,220,651		1,220,651
Bulletproof Vest Partnership Program	16.607	-	-	112,543		112,543
Gun Violence Prosecution Program	16.609	-	-	175,769		175,769
Public Safety Partnership and Community Policing	16.710	-	-	69,000		69,000
Juvenile Drug Court Mentoring	16.726	-	-	69,449		69,449
Enforcing Underage Drinking Laws Program	16.727	-	-	126,071		126,071
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	-	767,443		767,443
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	-	4,442,178		4,442,178
S/W Auto Victim Info Notification	16.740	-	-	53,333		53,333
DNA Capacity Enhancement FY 06 (46195)	16.741	-	-	616,558		616,558
Paul Coverdell National Forensic Lab	16.742	-	-	290,861		290,861
WCHD Re-entry and Recovery Project	16.745	-	-	164,104		164,104
Support for Adam Walsh Act Implementation Grant Program	16.750	-	-	384,825		384,825
SMART - 2008	16.751	-	-	335,663		335,663
Gang Elimination Task Force (46345)	16.753	-	-	1,726,730		1,726,730
Prescription Drug Monitoring	16.754	-	-	141,868		141,868
Violence Against Women Formula Grant (VARA)	16.800	-	-	53,780		53,780
Byrne Justice Recovery Act - ARRA	16.803	-	-	2,310,415		2,310,415
Second Chance Act	16.812	-	-	289,760		289,760
Justice Program	16.816	-	-	137,409		137,409
Equitable Sharing Program	16.922	-	-	240,809		240,809
Bureau of Justice Statistics	16.RD	69,828	-	-		69,828
Bureau of Justice Assistance	16.RD	80,455	-	-		80,455
Office of Juvenile Justice and Delinquency Prevention	16.RD	480,447	-	-		480,447
National Institute of Justice	16.RD	676,481	-	-		676,481
<b>Total Department of Justice</b>		<b>1,307,211</b>	<b>-</b>	<b>30,551,908</b>		<b>31,859,119</b>
<b><u>DEPARTMENT OF LABOR (DOL)</u></b>						
Contract / Other	17.000	-	-	765,600		765,600
Labor Force Statistics	17.002	-	-	1,026,875		1,026,875
Compensation and Working Conditions	17.005	-	-	240,950		240,950
<b>Employment Service Cluster</b>						
Employment Service	17.207	-	-	14,318,578		14,318,578
Disabled Veterans' Outreach Program (DVOP)	17.801	-	-	386		386
Disabled Veterans' Outreach Program (DVOP)	17.801	-	-	1,363,426		1,363,426
Local Veterans' Employment Representative Program	17.804	-	-	1,314,101		1,314,101
<b>Total Employment Service Cluster</b>					\$ 16,996,491	
Unemployment Insurance	17.225	-	-	1,346,982,448		1,346,982,448
Senior Community Service Employment Program	17.235	-	-	792,524		792,524
Trade Adjustment Assistance : Workers	17.245	-	-	6,892,505		6,892,505
<b>Workforce Investment Act Cluster (WIA)</b>						
Workforce Investment Act: Adult Program	17.258	-	-	10,985,593		10,985,593
Workforce Investment Act: Youth Activities	17.259	-	-	9,337,813		9,337,813
Dislocated Workers Grant - ARRA	17.260	-	-	922,941		922,941
Workforce Investment Act: Dislocated Workers	17.260	-	-	3,300,383		3,300,383
WIA Dislocated Worker Formula Grants	17.278	-	-	10,088,986		10,088,986
<b>Total WIA Cluster</b>					34,635,716	
WIA Pilots, Demonstrations, and Research Projects	17.261	-	-	234,970		234,970
WIA Pilots, Demonstrations and Research Projects	17.261	-	-	858,992		858,992
CORPS	17.261	-	-	3,220,996		3,220,996
Pass-Through Community College of Baltimore County	17.269	-	-	46,650		46,650
Work Opportunity Tax Credit Program	17.271	-	-	199,251		199,251
Labor Certification for Alien Workers	17.273	-	-	425,191		425,191
State Energy Sector Partnership - ARRA	17.275	-	-	1,885,071		1,885,071
Health Care Tax Credit (HCTC) National Emergency Grants (NEGs) - ARRA	17.276	-	-	875,238		875,238
Workforce Investment Act (WIA) National Emergency Grants - ARRA	17.277	-	-	737,775		737,775
MARC-BRAC	17.277	-	-	3,920,259		3,920,259
WIA Dislocated Worker National Reserve Demonstration Grants	17.280	-	-	74,304		74,304
Occupational Safety & Health	17.503	-	-	4,410,430		4,410,430
Consultation Agreements	17.504	-	-	891,310		891,310
Occupational Illness & Injury Prevention	17.600	-	-	38,532		38,532
Pass-Through ICF International	17.RD	16,367	-	-		16,367
<b>Total Department of Labor</b>		<b>16,367</b>	<b>-</b>	<b>1,426,152,078</b>		<b>1,426,168,445</b>

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>US DEPARTMENT OF STATE (DOS)</b>						
Pass-Through Institute of International Education	19.010	\$ -	\$ -	\$ 192,241		\$ 192,241
Antiterrorism Assistance – Domestic Training Programs	19.030	-	-	131,519		131,519
Pass-Through Academy for Educational Development	19.408	-	-	44,160		44,160
Pass-Through Institute of International Education	19.408	-	-	365,868		365,868
Academic Exchange Programs - English Language Programs	19.421	-	-	737,228		737,228
General Department of State Assistance	19.700	-	-	4,570		4,570
Pass-Through University of South Carolina	19.RD	17,505	-	-		17,505
Pass-Through DECO, Inc	19.SAQMMA11D0088	-	-	44,262		44,262
Contract / Other	19.S-DSASD-11-CA-002	-	-	312,224		312,224
Contract / Other	19.S-DSASD-13-CA-1008	-	-	97,768		97,768
Contract / Other	19.S-DSASD-13-CA-1009	-	-	70,529		70,529
<b>Total US Department of State</b>		<b>17,505</b>	<b>-</b>	<b>2,000,369</b>		<b>2,017,874</b>
<b>DEPARTMENT OF TRANSPORTATION (DOT)</b>						
Airport Improvement Program	20.106	-	-	16,283,405		16,283,405
<b>Highway Planning &amp; Construction Cluster</b>						
Highway Planning and Construction - ARRA	20.205	-	-	16,561,740		16,561,740
Highway Planning and Construction	20.205	-	-	585,669,646		585,669,646
Appalachian Development Highway System	23.003	-	-	141,082		141,082
<b>Total Highway Planning &amp; Construction Cluster</b>					\$ 602,372,468	
Highway Training and Education	20.215	-	-	40,500		40,500
Highway Training and Education	20.215	963,910	-	-		963,910
National Motor Carrier Safety	20.218	-	-	1,426,513		1,426,513
Commercial Driver's License Program Improvement Grant	20.232	-	-	9,314		9,314
Commercial Vehicle Information Systems and Networks	20.237	-	-	515,572		515,572
High-Speed Rail Corridors and Intercity Passenger Rail Service - ARRA	20.319	-	-	734,743		734,743
FRA	20.319	-	-	776,629		776,629
Railroad Safety Technology Grants	20.321	-	-	2,654		2,654
<b>Federal Transit Cluster</b>						
Federal Transit: Capital Investment Grants - ARRA	20.500	-	-	658,634		658,634
Federal Transit: Capital Investment Grants	20.500	-	-	56,527,019		56,527,019
Federal Transit: Formula Grants - ARRA	20.507	-	-	6,656,954		6,656,954
Federal Transit: Formula Grants	20.507	-	-	112,124,700		112,124,700
MARC Fixed Guideway	20.525	-	-	12,913,377		12,913,377
<b>Total Federal Transit Cluster</b>					188,880,684	
Federal Transit: Metropolitan Planning Grants	20.505	-	-	9,425,395		9,425,395
Formula Grants for Other Than Urbanized Areas - ARRA	20.509	-	-	520,524		520,524
Formula Grants for Other Than Urbanized Areas	20.509	-	-	4,892,774		4,892,774
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	-	-	269,374		269,374
Public Transportation Research	20.514	-	-	78,087		78,087
Alternative Analysis	20.522	-	-	695,938		695,938
Evaluate Energy Efficiency and Cost Effect	20.523	-	-	137,710		137,710
<b>Highway Safety Cluster</b>						
State and Community Highway Safety	20.600	-	-	3,303,156		3,303,156
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	-	-	1,847,849		1,847,849
Occupant Protection Incentive Grants	20.602	-	-	678,762		678,762
Safety Belt Performance Grants	20.609	-	-	221,884		221,884
State Traffic Safety Info	20.610	-	-	297,858		297,858
Incentive Grant Program to Increase Motorcyclist Safety	20.612	-	-	95,163		95,163
Child Safety and Child Booster Seats Incentive Grants	20.613	-	-	277,699		277,699
<b>Total Highway Safety Cluster</b>					6,722,371	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	-	-	182,506		182,506
National Highway Traffic Safety Administration	20.614	-	-	204,743		204,743
Pipeline Safety	20.700	-	-	417,334		417,334
University Transportation Centers Program	20.701	396	-	-		396
University Research Institutes Program	20.702	128,766	-	-		128,766
Interagency Hazardous Materials Public Sector Training and Planning	20.703	-	-	210,440		210,440
Development and Promotion of Ports and Intermodal Transportation - ARRA	20.801	-	-	696,147		696,147
Development and Promotion of Ports and Intermodal Transportation	20.801	-	-	6,027,449		6,027,449
St. Mary's College - Safety Improvements and Traffic Calming	20.999	-	-	236,645		236,645
Pass-Through Cambridge Systematics, Inc	20.DTNH22-09-C-00124	11,774	-	-		11,774
Contract / Other Research and Innovative Technology	20.DTRT57-10-C-10017	121,699	-	-		121,699
Federal Motor Carrier Safety Administration	20.RD	91	-	-		91
Pass-Through Mactec, Inc	20.RD	17,157	-	-		17,157
Pass-Through San Jose State University	20.RD	26,012	-	-		26,012
Pass-Through Cornell University	20.RD	40,292	-	-		40,292
Federal Railroad Administration	20.RD	41,073	-	-		41,073
Pass-Through Metropolitan Washington Council of Governments	20.RD	48,942	-	-		48,942
Pass-Through Westat Corporation	20.RD	82,477	-	-		82,477
Pass-Through The National Academies- Transportation Research Board	20.RD	94,093	-	-		94,093
Pass-Through University of North Carolina, Chapel Hill	20.RD	98,449	-	-		98,449
Pass-Through Michigan Technological University	20.RD	123,172	-	-		123,172
Pass-Through Battelle Memorial Institute	20.RD	201,898	-	-		201,898
Pass-Through Pennsylvania State University	20.RD	283,350	-	-		283,350
National Highway Traffic Safety Administration	20.RD	663,623	-	-		663,623
Federal Highway Administration (FHWA)	20.RD	699,887	-	-		699,887
Research and Innovative Technology Administration	20.RD	944,968	-	-		944,968
Other Research & Development	20.RD	1,280,887	-	-		1,280,887
Federal Aviation Administration	20.RD	3,713,647	-	-		3,713,647
Pass-Through National Academies-Transportation Research Board	20.Unknown	-	-	160,599		160,599
<b>Total Department of Transportation</b>		<b>9,586,563</b>	<b>-</b>	<b>841,920,518</b>		<b>851,507,081</b>

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b><u>DEPARTMENT OF THE TREASURY (DOTR)</u></b>						
Contract / Other	21.000	\$ -	\$ -	\$ 2,075,885		\$ 2,075,885
Low Income Taxpayer Clinics	21.008	-	-	125,030		125,030
<b>Total Department of the Treasury</b>		<b>-</b>	<b>-</b>	<b>2,200,915</b>		<b>2,200,915</b>
<b><u>APPALACHIAN REGIONAL COMMISSION (ARC)</u></b>						
Appalachian Area Development	23.002	-	-	63,145		63,145
Appalachian Local Access Roads	23.008	-	-	169,414		169,414
Pass-Through East Tennessee State University	23.011	-	-	4,000		4,000
Appalachian State Research, Technical Assistance and Demonstration Projects	23.011	-	-	4,175		4,175
Appalachian State Research, Technical Assistance	23.011	-	-	50,750		50,750
Appalachian Regional Commission	23.RD	3,876	-	-		3,876
<b>Total Appalachian Regional Commission</b>		<b>3,876</b>	<b>-</b>	<b>291,484</b>		<b>295,360</b>
<b><u>OFFICE OF PERSONNEL MANAGEMENT</u></b>						
Pass-Through Candid Communications	27.052012CLW	-	-	1,340		1,340
<b>Total Office of Personnel Management</b>		<b>-</b>	<b>-</b>	<b>1,340</b>		<b>1,340</b>
<b><u>EQUAL EMPLOYMENT OPPORTUNITY COMMITTEE (EEOC)</u></b>						
Employment Discrimination: State and Local Fair Employment Practices Agency Contracts	30.002	-	-	338,591		338,591
<b>Total Equal Employment Opportunity Committee (EEOC)</b>		<b>-</b>	<b>-</b>	<b>338,591</b>		<b>338,591</b>
<b><u>GENERAL SERVICES ADMINISTRATION (GSA)</u></b>						
Donation of Federal Surplus Property Program (Note 2)	39.003	-	-	97,615		97,615
Public Buildings Services	39.012	-	-	71,322		71,322
<b>Total General Services Administration</b>		<b>-</b>	<b>-</b>	<b>168,937</b>		<b>168,937</b>
<b><u>LIBRARY OF CONGRESS</u></b>						
Library of Congress	42.RD	151,950	-	-		151,950
Pass-Through University of California, San Diego	42.RD	96,429	-	-		96,429
<b>Total Library of Congress</b>		<b>248,379</b>	<b>-</b>	<b>-</b>		<b>248,379</b>
<b><u>NATIONAL AERONAUTICS &amp; SPACE ADMINISTRATION (NASA)</u></b>						
Aerospace Education Services Program	43.001	-	-	1,242,706		1,242,706
Aerospace Education Services Program	43.001	2,440,503	-	-		2,440,503
Pass-Through Universities Space Research Association	43.001	-	-	88,212		88,212
Pass-Through Space Telescope Science Institute	43.001	-	-	103,907		103,907
Pass-Through Anne Arundel County Public Schools	43.001	-	-	154,502		154,502
GESTAR	43.002	5,251,883	-	-		5,251,883
Cross Agency Support	43.009	-	-	217,835		217,835
Pass-Through Jet Propulsion Laboratory California Institute of Technology	43.NMO710076	13,896	-	-		13,896
Pass-Through Jet Propulsion Laboratory California Institute of Technology	43.NNN12AA01C	1,053	-	-		1,053
NASA	43.RD	51,270,937	-	-		51,270,937
Pass-Through CoolCAD Electronics	43.RD	19	-	-		19
Pass-Through South Dakota State University	43.RD	266	-	-		266
Pass-Through SETI Institute	43.RD	648	-	-		648
Pass-Through Drexel University	43.RD	1,413	-	-		1,413
Pass-Through California Institute of Technology	43.RD	3,001	-	-		3,001
Pass-Through Smithsonian Astrophysical Observatory	43.RD	5,363	-	-		5,363
Pass-Through Lowell Observatory	43.RD	5,765	-	-		5,765
Pass-Through University of Houston	43.RD	9,980	-	-		9,980
Pass-Through University of Washington	43.RD	17,215	-	-		17,215
Pass-Through University of Tennessee	43.RD	19,989	-	-		19,989
Pass-Through Planetary Science Institute	43.RD	21,928	-	-		21,928
Pass-Through Space Science Institute	43.RD	24,258	-	-		24,258
Pass-Through University of Massachusetts, Boston	43.RD	29,560	-	-		29,560
Pass-Through Colorado State University	43.RD	30,057	-	-		30,057
Pass-Through Georgia State University	43.RD	33,747	-	-		33,747
Pass-Through University of Michigan	43.RD	34,945	-	-		34,945
Pass-Through Maxion Technologies	43.RD	35,958	-	-		35,958
Pass-Through Southwest Research Institute	43.RD	51,992	-	-		51,992
Pass-Through Science Systems & Application, Inc	43.RD	52,563	-	-		52,563
Pass-Through Von Braun Center for Science and Innovation	43.RD	54,884	-	-		54,884
Pass-Through University of South Carolina	43.RD	55,153	-	-		55,153
Pass-Through Cornell University	43.RD	58,689	-	-		58,689
Pass-Through Battelle Memorial Institute	43.RD	62,205	-	-		62,205
Pass-Through University of Hawaii	43.RD	62,926	-	-		62,926
Pass-Through Clark University	43.RD	66,045	-	-		66,045
Pass-Through Princeton University	43.RD	68,536	-	-		68,536
Pass-Through Carnegie Institute of Washington	43.RD	69,855	-	-		69,855
Pass-Through George Mason University	43.RD	71,136	-	-		71,136
Pass-Through Fibertek, Inc	43.RD	71,223	-	-		71,223
Pass-Through Woods Hole Oceanographic Institute	43.RD	73,395	-	-		73,395
Pass-Through University of Virginia	43.RD	79,665	-	-		79,665
Pass-Through Pennsylvania State University	43.RD	89,629	-	-		89,629
Pass-Through Massachusetts Institute of Technology	43.RD	93,136	-	-		93,136
Pass-Through Universities Space Research Association	43.RD	96,606	-	-		96,606
Pass-Through University of Colorado	43.RD	97,548	-	-		97,548
Pass-Through University of Wisconsin	43.RD	100,725	-	-		100,725
Pass-Through Michigan Technological University	43.RD	104,435	-	-		104,435
Pass-Through ASRC Management Services Inc	43.RD	115,434	-	-		115,434
Pass-Through University of North Texas	43.RD	129,407	-	-		129,407
Pass-Through Johns Hopkins University/Applied Physics Lab	43.RD	143,419	-	-		143,419
Pass-Through National Institute of Aerospace	43.RD	178,146	-	-		178,146
Pass-Through Space Telescope Science Institute	43.RD	193,978	-	-		193,978
Pass-Through California Institute of Technology Jet Propulsion Laboratory	43.RD	437,125	-	-		437,125
<b>Total National Aeronautics &amp; Space Administration</b>		<b>61,930,239</b>	<b>-</b>	<b>1,807,162</b>		<b>63,737,401</b>

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b><u>NATIONAL ENDOWMENT FOR THE HUMANITIES (NEH)</u></b>						
Promotion of the Arts: Grants to Organizations and Individuals	45.024	\$ -	\$ -	\$ 92,679		\$ 92,679
Promotion of the Arts_ Partnership Agreements	45.025	-	-	3,645		3,645
Pass-Through Mid-Atlantic Arts Foundation	45.025	-	-	14,999		14,999
Promotion of the Arts: Partnership Agreements	45.025	-	-	877,815		877,815
Pass-Through Maryland Humanities Council	45.129	-	-	5,980		5,980
We the people project	45.161	5,429	-	-		5,429
NEH Colonial Encounters: The Lower Potomac River	45.161	-	-	26,203		26,203
Pass-Through Ohio State University	45.161	-	-	38,341		38,341
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162	-	-	29,960		29,960
NEH Enduring Questions Course on Materialism in Human Life	45.163	-	-	1,725		1,725
Promotion of the Humanities: Seminars and Institutes	45.163	-	-	3,820		3,820
Pass-Through St Louis University	45.163	-	-	3,970		3,970
Promotion of the Humanities Public Programs	45.164	-	-	28,354		28,354
Promotion of the Humanities: Public Programs	45.164	-	-	100,650		100,650
Promotion of the Humanities Digital Humanities Initiative	45.169	-	-	110,121		110,121
Institute of Museum and Library Services	45.309	85,916	-	-		85,916
State Library Program	45.310	-	-	2,650,010		2,650,010
Laura Bush 21 Century Librarian Program	45.313	-	-	386,754		386,754
Pass-Through University of Texas at Austin	45.RD	9,685	-	-		9,685
Pass-Through New York Public Library	45.RD	41,007	-	-		41,007
Pass-Through American Library Association	45.RD	44,313	-	-		44,313
National Endowment for the Arts	45.RD	74,227	-	-		74,227
National Endowment for the Humanities	45.RD	222,548	-	-		222,548
Pass-Through University of Illinois at Urbana-Champaign	45.RD	226,577	-	-		226,577
Institute of Museum and Library Services	45.RD	286,540	-	-		286,540
<b>Total National Endowment for the Humanities</b>		<b>996,242</b>	<b>-</b>	<b>4,375,026</b>		<b>5,371,268</b>
<b><u>NATIONAL SCIENCE FOUNDATION (NSF)</u></b>						
Contract / Other IPA Agreement	47. IPA No. CMMI1059137	-	-	43,226		43,226
Contract / Other IPA Agreement	47. IPA No. CNS1340688	-	-	69,164		69,164
Contract / Other IPA Agreement	47. IPA No. DMS1057962	-	-	34,242		34,242
Contract / Other IPA Agreement	47. IPA No. PHY1060895	426,091	-	-		426,091
Contract / Other IPA Agreement	47. IPA No. PHY1060895	-	-	28,276		28,276
Contract / Other IPA Agreement	47. IPA.No. IIS1261608	-	-	216,266		216,266
Contract / Other IPA Agreement	47. IPA.No. IOS1219319	-	-	168,804		168,804
Engineering Grants	47.041	116,804	-	-		116,804
Engineering Grants	47.041	-	-	555,189		555,189
Mathematical and Physical Sciences	47.049	-	-	65,764		65,764
Pass-Through Johns Hopkins University	47.049	-	-	37,094		37,094
Emerging Scholars Research Experience for Undergraduates	47.049	-	-	124,040		124,040
Mathematical and Physical Sciences - ARRA	47.049	98,060	-	-		98,060
Geosciences	47.050	-	-	30,498		30,498
Hyperspec Remote Sensing	47.050	54,024	-	-		54,024
Pass-Through Computing Research Association	47.070	-	-	17,316		17,316
Collaborative Research BPC-ARTSI	47.070	37,311	-	-		37,311
Computer and Information Science and Engineering	47.070	-	-	124,949		124,949
Biological Sciences	47.074	-	-	582,281		582,281
Social, Behavioral, and Economic Sciences	47.075	-	-	45,907		45,907
St. Mary's College of Maryland STEM Navigators	47.076	-	-	1,193		1,193
Pass-Through Wright State University	47.076	-	-	4,462		4,462
Pass-Through University System of Maryland Foundation	47.076	-	-	164,619		164,619
Pass-Through Colorado State University	47.076	-	-	201,289		201,289
Education and Human Resources	47.076	-	-	232,223		232,223
Education and Human Resources	47.076	613,447	-	-		613,447
Education and Human Resources	47.076	-	-	664,212		664,212
Education and Human Resources	47.076	-	-	9,385,036		9,385,036
International Science & Engineering (OISE)	47.079	-	-	147		147
Office of Cyberinfrastructure	47.080	-	-	3,987		3,987
Trans-NSF Recovery Act Research Support - ARRA	47.082	6,060,883	-	-		6,060,883
Trans-NSF Recovery Act Research Support - ARRA	47.082	-	-	796,214		796,214
Pass-Through University of Texas-Pan American - ARRA	47.082	-	-	29,208		29,208
Pass-Through Southwest Research Institute - ARRA	47.082	2,755	-	-		2,755
Pass-Through Stanford University - ARRA	47.082	4,460	-	-		4,460
Pass-Through State University of New York at Stony Brook - ARRA	47.082	6,437	-	-		6,437
Pass-Through University of Texas-Pan American - ARRA	47.082	-	-	15,132		15,132
Pass-Through Georgetown University - ARRA	47.082	53,248	-	-		53,248
Pass-Through Council of Graduate Schools	47.114	-	-	26,678		26,678
Contract / Other	47.HDR-0853418	-	-	16,564		16,564
Contract / Other IPA Agreement	47.IPA-CBET-1027355	-	-	66,795		66,795
National Science Foundation (NSF)	47.RD	63,260,122	-	-		63,260,122
Pass-Through Black Hills State University	47.RD	787	-	-		787
Pass-Through Mathematical Association of America	47.RD	1,161	-	-		1,161
Pass-Through National Radio Astronomy Observatory	47.RD	3,337	-	-		3,337
Pass-Through Research Foundation of State University of New York	47.RD	4,005	-	-		4,005
Pass-Through Loyola University of Maryland	47.RD	4,271	-	-		4,271
Pass-Through Ohio State University	47.RD	4,295	-	-		4,295
Pass-Through University of California, Davis	47.RD	5,711	-	-		5,711
Pass-Through Asia-Pacific Network for Global Change Research	47.RD	7,104	-	-		7,104
Pass-Through American Educational Research Association	47.RD	7,166	-	-		7,166
Pass-Through University of Delaware	47.RD	8,323	-	-		8,323
Pass-Through Drexel University	47.RD	8,684	-	-		8,684
Pass-Through Woods Hole Oceanographic	47.RD	9,853	-	-		9,853
Pass-Through Wright State University	47.RD	13,959	-	-		13,959
Pass-Through Stanford University	47.RD	14,915	-	-		14,915
Pass-Through Advanced Technology & Research Corporation	47.RD	16,792	-	-		16,792
Pass-Through CoolCad Electronics	47.RD	17,172	-	-		17,172
Pass-Through North Carolina State University	47.RD	21,241	-	-		21,241
Pass-Through University of North Carolina	47.RD	22,868	-	-		22,868
Pass-Through Sarissa Inc (Sarissa Technologies)	47.RD	25,092	-	-		25,092
Pass-Through University of Southern California	47.RD	26,339	-	-		26,339
Pass-Through University of Washington	47.RD	27,275	-	-		27,275

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b><u>NATIONAL SCIENCE FOUNDATION (NSF)</u></b> (continued)						
Pass-Through Louisiana State University	47.RD	\$ 28,258	\$ -	\$ -		\$ 28,258
Pass-Through Carnegie Mellon University	47.RD	29,589	-	-		29,589
Pass-Through Raytheon BBN Technologies	47.RD	33,537	-	-		33,537
Pass-Through Johns Hopkins University / Applied Physics Lab	47.RD	38,767	-	-		38,767
Pass-Through Howard University	47.RD	39,849	-	-		39,849
Pass-Through University of North Carolina at Chapel Hill	47.RD	42,760	-	-		42,760
Pass-Through Center for Research on Changing Earth	47.RD	42,817	-	-		42,817
Pass-Through Remedium Technologies	47.RD	45,667	-	-		45,667
Pass-Through Oregon Health & Science University	47.RD	47,564	-	-		47,564
Pass-Through Boston University	47.RD	48,255	-	-		48,255
Pass-Through Pacific Ecoinformatics and Computational Ecology Lab, Inc.	47.RD	58,531	-	-		58,531
Pass-Through University of California, Los Angeles	47.RD	62,806	-	-		62,806
Pass-Through Education Development Center	47.RD	75,953	-	-		75,953
Pass-Through Virginia Commonwealth University	47.RD	76,037	-	-		76,037
Pass-Through University of North Carolina at Charlotte	47.RD	90,681	-	-		90,681
Pass-Through California Institute of Technology	47.RD	95,394	-	-		95,394
Pass-Through University of Illinois	47.RD	95,941	-	-		95,941
Pass-Through Case Western University	47.RD	96,466	-	-		96,466
Pass-Through Columbia University	47.RD	104,562	-	-		104,562
Pass-Through University of Georgia	47.RD	110,579	-	-		110,579
Pass-Through Virginia Polytechnic Institute and State University	47.RD	123,077	-	-		123,077
Pass-Through Computing Research Association	47.RD	135,198	-	-		135,198
Pass-Through BBNT Solutions, LLC	47.RD	138,259	-	-		138,259
Pass-Through Johns Hopkins University	47.RD	190,880	-	-		190,880
Pass-Through Cary Institute of Ecosystem Studies	47.RD	194,147	-	-		194,147
Pass-Through Vanderbilt University	47.RD	200,176	-	-		200,176
Pass-Through University of Michigan	47.RD	233,801	-	-		233,801
Pass-Through University of Arizona	47.RD	255,781	-	-		255,781
Pass-Through University of Illinois at Urbana-Champaign	47.RD	266,865	-	-		266,865
Pass-Through University of Wisconsin	47.RD	1,032,764	-	-		1,032,764
<b>Total National Science Foundation</b>		<b>75,018,953</b>	<b>-</b>	<b>13,750,775</b>		<b>88,769,728</b>
<b><u>SECURITIES AND EXCHANGE COMMISSION (SEC)</u></b>						
Contract/Other	58.IPA No.3500FY12IPA3	-	-	163,289		163,289
<b>Total Securities and Exchange Commission</b>		<b>-</b>	<b>-</b>	<b>163,289</b>		<b>163,289</b>
<b><u>SMALL BUSINESS ADMINISTRATION</u></b>						
Small Business Development Center	59.037	-	-	3,106,553		3,106,553
Small Business Jobs Act of 2010	59.061	-	-	568,779		568,779
<b>Total Small Business Administration</b>		<b>-</b>	<b>-</b>	<b>3,675,332</b>		<b>3,675,332</b>
<b><u>DEPARTMENT OF VETERAN AFFAIRS (VA)</u></b>						
State Veterans Home	64.007	-	-	2,997,851		2,997,851
Veterans State Domiciliary Care	64.014	-	-	2,245,776		2,245,776
Veterans State Nursing Home Care	64.015	-	-	10,311,230		10,311,230
Veteran Directed Home & Community	64.022	-	-	82,649		82,649
Burial Expenses Allowance	64.101	-	-	1,258,729		1,258,729
Vocational and Educational Counseling for Service Members and Veterans	64.125	-	-	235,855		235,855
State Cemetery Grants	64.203	-	-	14,652		14,652
Contract/Other IPA Agreement	64.IPA	-	-	4,894,598		4,894,598
Contract/Other IPA Agreement	64.IPA No. 09051171	-	-	4,820		4,820
Contract/Other IPA Agreement	64.IPA-Sprung	24,951	-	-		24,951
Contract/Other IPA Agreement	64.IPA-Stuart	39,958	-	-		39,958
Contract/Other IPA Agreement	64.IPA-Waldstein	24,021	-	-		24,021
Veterans Benefits Administration – Research and Development	64.RD	2,440	-	-		2,440
Veterans Health Administration – Research and Development	64.RD	611,762	-	-		611,762
<b>Total Department of Veteran Affairs</b>		<b>703,132</b>	<b>-</b>	<b>22,046,160</b>		<b>22,749,292</b>
<b><u>ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>						
Spec. Purpose Activities	66.034	-	-	718,338		718,338
Internships, Training and Workshops for the Office of Air and Radiation	66.037	-	-	3,763		3,763
US Environmental Protection Agency	66.039	-	-	110,669		110,669
Pass-Through Mid-Atlantic regional Air Management Association	66.039	-	-	74,500		74,500
Maryland Clean Diesel	66.040	-	-	217,224		217,224
Pass-Through Western Maryland Resource Conservation and Development Council	66.050	-	-	21,780		21,780
Pass-Through Battelle Memorial Institute	66.173	-	-	85,171		85,171
Pass-Through Battelle Memorial Institute	66.192	-	-	106,426		106,426
Congressionally Mandated Projects	66.202	-	-	142,030		142,030
Environmental Finance Center Grants	66.203	-	-	138,237		138,237
Pass-Through New Mexico Institute of Mining and Technology	66.424	-	-	122,422		122,422
Water Quality Management Planning	66.454	-	-	248,845		248,845
Nonpoint Source Implementation Grants	66.460	-	-	118,955		118,955
Nonpoint Source Implementation Grants	66.460	-	-	2,444,415		2,444,415
Chesapeake Bay Program	66.466	-	-	7,476,933		7,476,933
Pass-Through Virginia Polytechnic Institute and State University	66.466	-	-	3,009		3,009
Pass-Through American Rivers	66.466	-	-	7,436		7,436
Pass-Through National Fish & Wildlife Foundation	66.466	-	-	426,314		426,314
Operator Certification Expense Reimbursement	66.471	-	-	346,414		346,414
Beach Monitoring and Notification Program Implementation Grants	66.472	-	-	252,023		252,023
Water Protection Grants to the States	66.474	-	-	61,119		61,119
Performance Partnership Grants (PPGs)	66.605	-	-	10,702,832		10,702,832
Environmental Information Exchange Network Grant Program	66.608	-	-	441,195		441,195
Pollution Prevention Grants Program	66.708	-	-	75,750		75,750
FY10 Technology in RCRA compliance Monitoring	66.709	-	-	154,755		154,755
Bite Bed Bugs Back! B4 Initiative	66.714	-	-	2,235		2,235
Bed Bug Action Network	66.716	-	-	16,922		16,922

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>ENVIRONMENTAL PROTECTION AGENCY (EPA)</b> (continued)						
Superfund State Site: Specific Cooperative Agreements	66.802	\$ -	\$ -	\$ 613,507		\$ 613,507
State and Tribal Underground Storage Tanks Program	66.804	-	-	578,938		578,938
Leaking Underground Storage Tank Program	66.805	-	-	1,613,784		1,613,784
Solid Waste Management Assistance	66.808	-	-	581		581
Superfund State and Indian Tribe Core Program: Cooperative Agreements	66.809	-	-	326,954		326,954
CERCLA Section 1289a0 State Resp Coop Agr	66.809	-	-	102,840		102,840
State and Tribal Response Program Grants	66.817	-	-	338,127		338,127
Pass-Through University of Missouri-Columbia	66.951	-	-	133		133
Contract / Other	66.G11C00073	-	-	267,387		267,387
Office of Research and Development	66.RD	1,109,524	-	-		1,109,524
Pass-Through Pennsylvania State University	66.RD	11,220	-	-		11,220
Pass-Through Skidaway Institute of Oceanography	66.RD	44,762	-	-		44,762
Pass-Through Maryland Coastal Bays Project	66.RD	50,190	-	-		50,190
Pass-Through Prince George's County Government	66.RD	89,145	-	-		89,145
Pass-Through University of Illinois at Urbana-Champaign	66.RD	135,397	-	-		135,397
Pass-Through National Fish and Wildlife Foundation	66.RD	407,197	-	-		407,197
<b>Total Environmental Protection Agency</b>		<u>1,847,435</u>	<u>-</u>	<u>28,361,963</u>		<u>30,209,398</u>
<b>NUCLEAR REGULATORY COMMISSION (NRC)</b>						
Nuclear Education Grant Program - Curricula Development	77.006	-	-	39,566		39,566
US Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	-	-	51,721		51,721
US Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008	-	-	93,690		93,690
Other National Regulatory Commission – Research and Development	77.RD	220,928	-	-		220,928
<b>Total Nuclear Regulatory Commission</b>		<u>220,928</u>	<u>-</u>	<u>184,977</u>		<u>405,905</u>
<b>DEPARTMENT OF ENERGY (DOE)</b>						
State Energy Program	81.041	-	-	562,000		562,000
St Energy Conservation Prg	81.041	-	-	1,619,551		1,619,551
Weatherization Assistance for Low-Income Persons	81.042	-	-	354,183		354,183
Weatherization Assistance for Low-Income Persons - ARRA	81.042	-	-	1,104,919		1,104,919
Weatherization Assistance for Low-Income Persons	81.042	-	-	3,411,014		3,411,014
Office of Science Financial Assistance Program - ARRA	81.049	394,546	-	-		394,546
Pass-Through Purdue University - ARRA	81.049	2,583	-	-		2,583
Conservation Research and Development	81.086	696,317	-	-		696,317
Renewable Energy Research and Development	81.087	-	-	2,960		2,960
Renewable Energy Research and Development	81.087	-	-	380,804		380,804
State Heating Oil and Propane Programs	81.090	-	-	9,997		9,997
Minority Undergraduate Training for Energy Related Careers	81.098	-	-	50,000		50,000
Energy Efficiency and Renewable Energy Information Dissemination, Outreach,						
Training and Technical Analysis/Assistance	81.117	-	-	106,975		106,975
State Energy Program Special Projects	81.119	-	-	108,042		108,042
Electricity Delivery & Energy Reliability - ARRA	81.122	-	-	529,292		529,292
NNSA Minority Serving Institutions (MSI) Program	81.123	144,576	-	-		144,576
Energy Efficiency & Conservation Block Grant Program - ARRA	81.128	-	-	3,554,114		3,554,114
Energy Efficiency & Conservation Block Grant Program	81.128	-	-	8,909,674		8,909,674
Advanced Research and Projects Agency - Energy - ARRA	81.135	111,982	-	-		111,982
Pass-Through Princeton University	81.DE-AC02-09CH11466	24,423	-	-		24,423
Pass-Through Oak Ridge Associated Universities	81.DEAC0506OR23100	8,131	-	-		8,131
Pass-Through Jefferson Science Associates, LLC/Jefferson Laboratory	81.DEAC0506OR23177	28,118	-	-		28,118
Pass-Through Battelle Memorial Institute	81.DE-AC05-76RL01830	190,196	-	-		190,196
Contract / Other IPA Agreement	81.IPA No. 09092163	-	-	2,556		2,556
Advanced Research and Projects Agency	81.RD	686,605	-	-		686,605
Pass-Through Teledyne Scientific	81.RD	9,598	-	-		9,598
Office of Fossil Energy	81.RD	104,796	-	-		104,796
Pass-Through Yale University	81.RD	103,965	-	-		103,965
Office of Science Financial Assistance Program	81.RD	195,847	-	-		195,847
Office of Science	81.RD	10,270,013	-	-		10,270,013
Pass-Through General Atomics	81.RD	27,279	-	-		27,279
Pass-Through ITN Energy Systems, Inc	81.RD	9,270	-	-		9,270
Pass-Through Tulane University	81.RD	754	-	-		754
Pass-Through University of Michigan	81.RD	82,530	-	-		82,530
Pass-Through University of Virginia	81.RD	151,343	-	-		151,343
Other Department of Energy – Research and Development	81.RD	310,878	-	-		310,878
Pass-Through Ames Laboratory	81.RD	321,531	-	-		321,531
Pass-Through Association of Public & Land Grant Universities	81.RD	70,210	-	-		70,210
Pass-Through Battelle Energy Alliance	81.RD	246,425	-	-		246,425
Pass-Through Battelle Memorial Institute	81.RD	537,425	-	-		537,425
Pass-Through Brookhaven National Laboratory	81.RD	21,273	-	-		21,273
Pass-Through Fermilab	81.RD	30,865	-	-		30,865
Pass-Through Idaho State University	81.RD	123,685	-	-		123,685
Pass-Through Lawrence Livermore National Laboratory	81.RD	877	-	-		877
Pass-Through Norfolk State University	81.RD	26,375	-	-		26,375
Pass-Through Sandia National Laboratories	81.RD	348,764	-	-		348,764
Pass-Through Savannah River Nuclear Solutions	81.RD	71,433	-	-		71,433
Pass-Through URS Corporation	81.RD	72,879	-	-		72,879
Pass-Through UT Battelle LLC	81.RD	318,978	-	-		318,978
Pass-Through Lawrence Livermore National Laboratory	81.Unknown	-	-	5,915		5,915
<b>Total Department of Energy</b>		<u>15,744,470</u>	<u>-</u>	<u>20,711,996</u>		<u>36,456,466</u>
<b>DEPARTMENT OF EDUCATION (ED)</b>						
Adult Education: State Grant Program	84.002	-	-	674,681		674,681
Adult Education: State Grant Program	84.002	-	-	9,585,350		9,585,350
Federal Supplemental Educational Opportunity Grants	84.007	-	5,430,731	-		5,430,731
<b>Title 1, Part A Cluster</b>						
Title I Grants to Local Educational Agencies	84.010	-	-	165,298,755		165,298,755
Title I Grants to Local Educational Agencies - ARRA	84.389	-	-	669,500		669,500
<b>Total Title 1, Part A Cluster</b>					\$ 165,968,255	

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF EDUCATION (ED) (continued)</b>						
Migrant Education: State Grant Program	84.011	\$ -	\$ -	\$ 934,549		\$ 934,549
Title I Program for Neglected and Delinquent Children	84.013	-	-	1,522,814		1,522,814
Undergraduate International Studies and Foreign Language Programs	84.016	-	-	6,953		6,953
International Research & Studies	84.017	-	-	57,179		57,179
International: Overseas: Group Projects Abroad	84.021	-	-	64,946		64,946
<b>IDEA Part B Cluster</b>						
Special Education: Grants to States	84.027	-	-	207,213,773		207,213,773
Pass-Through Government of the District of Columbia	84.027	-	-	165,000		165,000
Special Education: Preschool Grants	84.173	-	-	6,809,398		6,809,398
Special Education Grants to State - ARRA	84.391	-	-	51,143		51,143
<b>Total IDEA Part B Cluster</b>						
Higher Education: Institutional Aid	84.031	-	-	25,049,878	\$ 214,239,314	25,049,878
Federal Family Educational Loan	84.032	-	-	10,289,642		10,289,642
Federal Work-Study Program	84.033	-	5,959,080	-		5,959,080
Federal Perkins Loan Cancellations	84.037	-	19,041	-		19,041
Loan Cancellations	84.037	-	646,144	-		646,144
Federal Perkins Loan - Federal Capital Contributions	84.038	-	70,867,700	-		70,867,700
<b>TRIO Cluster</b>						
TRIO - Student Support Services	84.042	-	-	1,926,070		1,926,070
TRIO - Talent Search	84.044	-	-	451,762		451,762
TRIO - Upward Bound	84.047	-	-	4,064,222		4,064,222
TRIO - Educational Opportunity Centers	84.066	-	-	289,452		289,452
TRIO - McNair Post – Baccalaureate Achievement	84.217	-	-	695,919		695,919
<b>Total TRIO Cluster</b>						
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	-	-	15,674,874		15,674,874
Automotive Technology Program	84.051	-	-	416,260		416,260
Federal Pell Grant Program	84.063	-	163,867,003	-		163,867,003
Leveraging educational assistance Partnership	84.069	-	-	22,068		22,068
Fund for the Improvement of Postsecondary Education	84.116	-	-	144,209		144,209
Minority Science and Engineering Improvement	84.120	-	-	159,887		159,887
Rehabilitation Services: Vocational Rehabilitation Grants to States	84.126	-	-	42,907,449		42,907,449
Rehabilitation Long-Term Training	84.129	-	-	364,203		364,203
Migrant Education Coordination Program	84.144	-	-	83,587		83,587
Business and International Education Projects	84.153	-	-	1,500		1,500
Rehabilitation Services: Client Assistance Program	84.161	-	-	140,965		140,965
Independent Living: State Grants	84.169	-	-	343,905		343,905
Rehabilitation Service: Independent Living Services for Older Blind Individuals	84.177	-	-	675,871		675,871
Special Education: Grants for Infants and Families with Disabilities	84.181	-	-	7,507,224		7,507,224
Safe and Drug-Free Schools and Communities National Programs	84.184	-	-	4,342,210		4,342,210
Safe and Drug-Free Schools and Communities: State Grants	84.186	-	-	10,554		10,554
Supported Employment Services for Individuals with Severe Handicaps	84.187	-	-	463,705		463,705
Bilingual Education: Professional Development	84.195	-	-	588,483		588,483
Education of Homeless Children & Youth	84.196	-	-	865,709		865,709
Graduate Assistance in Areas of National Need	84.200	-	-	396,106		396,106
Even Start: State Educational Agencies	84.213	-	-	152,065		152,065
Fund for the Improvement of Education	84.215	-	-	111,603		111,603
Pass-Through Howard Co Public Schools	84.215	-	-	53,097		53,097
Pass-Through Anne Arundel County Public Schools	84.215	-	-	92,362		92,362
Pass-Through Baltimore County Public Schools	84.215	-	-	120,173		120,173
Assistive Technology	84.224	-	-	509,980		509,980
Rehabilitation Services Demonstration and Training	84.235	-	-	285,849		285,849
Tech -Prep Education	84.243	-	-	165,885		165,885
Rehabilitation Training: State Vocational Rehabilitation Unit In-Service Training	84.265	-	-	116,380		116,380
Federal Direct Student Loans	84.268	-	913,200,612	-		913,200,612
The Charter School Program	84.282	-	-	1,493,084		1,493,084
Twenty-First Century Community Learning Centers	84.287	-	-	12,493,301		12,493,301
Pass-Through University of Illinois	84.305	-	-	22,591		22,591
Technology Literacy Challenge Fund Grants	84.318	-	-	512,480		512,480
Special Education: State Program Improvement Grants for Children with Disabilities	84.323	-	-	884,776		884,776
Special Education: Personnel Preparation to Improve Services and						
Results for Children with Disabilities	84.325	-	-	1,244,424		1,244,424
Special Education: Technical Assistance and Dissemination to Improve Services and						
Results for Children with Disabilities	84.326	-	-	264,132		264,132
Advanced Placement Incentive Program	84.330	-	-	1,186,994		1,186,994
Grants to States for Incarcerated Youth Offenders	84.331	-	-	145,795		145,795
Pass-Through Baltimore City Public Schools	84.336	-	-	4,328		4,328
Underground Railroad Educational and Cultural Program	84.345	-	-	239,760		239,760
Transition to Teaching	84.350	-	-	335,682		335,682
Rural and Low Income Schools	84.358	-	-	111,640		111,640
English Language Acquisition Grants	84.365	-	-	10,218,677		10,218,677
Mathematics and Science Partnerships	84.366	-	-	2,394,275		2,394,275



STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF EDUCATION (ED) (continued)</b>						
Improving Teacher Quality State Grants	84.367	\$ -	\$ -	\$ 182,253		\$ 182,253
Pass-Through National Writing Project Corporation, University of California	84.367	-	-	25,930		25,930
Improving Teacher Quality State Grants	84.367	-	-	34,053,359		34,053,359
Guide Accessibility and Assessment Program (GAAP)	84.368	-	-	777,000		777,000
Grants for State Assessments and Related Activities	84.369	-	-	6,910,568		6,910,568
Statewide Longitudinal Data System	84.372	-	-	1,821,182		1,821,182
Academic Competitiveness Grants	84.375	-	-	73,763		73,763
National Science and Mathematics Access to Retain Talent (Smart) Grants	84.376	-	-	10,486		10,486
<b>School Improvement Grants Cluster</b>						
School Improvement Grants	84.377	-	-	9,921,035		9,921,035
School Improvement Grants - ARRA	84.388	-	-	15,862,162		15,862,162
<b>Total School Improvement Grants Cluster</b>					\$ 25,783,197	
College Access Challenge Grant Program	84.378	-		38,355		38,355
College Access Challenge Grant Program	84.378	-	-	1,402,269		1,402,269
DeSousa-Brent Scholars Program - Phase 2	84.378A	-	-	8,412		8,412
DeSousa-Brent Scholars Program - Phase 1	84.378A	-	-	27,339		27,339
Teacher Education Assistance for College and Higher Education (TEACH)	84.379	-	370,679	-		370,679
Strengthening Minority-Serving Institutions	84.382	-	-	558,720		558,720
Education Technology - ARRA	84.386	-	-	97,637		97,637
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants - ARRA	84.395	-	-	64,197,195		64,197,195
Pass-Through Baltimore City Public Schools - ARRA	84.395	-	-	529,345		529,345
Education Jobs Fund - ARRA	84.410	-	-	15,533,159		15,533,159
Race to the Top - Early Learning Challenge Maryland Excels	84.412	-	-	4,872,341		4,872,341
Pass-Through Maryland Family Network	84.412	-	-	36,925		36,925
Pass-Through National Writing Project Corporation, University of California	84.928	-	-	47,900		47,900
Contract/Other	84.IPA No.EDIES11N0068	-	-	186,231		186,231
Institute of Education Sciences	84.RD	811,139	-	-		811,139
Pass-Through University of Kansas	84.RD	177,794	-	-		177,794
Pass-Through University of Michigan	84.RD	53,954	-	-		53,954
Pass-Through Baltimore County Public Schools	84.RD	8,640	-	-		8,640
Pass-Through Casa De Maryland, Inc	84.RD	5,008	-	-		5,008
Postsecondary Education	84.RD	793,427	-	-		793,427
Pass-Through Duke University	84.RD	25,915	-	-		25,915
Pass-Through University of California, Los Angeles	84.RD	6,721	-	-		6,721
Special Education and Rehabilitative Services	84.RD	527,432	-	-		527,432
Pass-Through Syracuse University	84.RD	7,082	-	-		7,082
Pass-Through TransCen, Inc.	84.RD	46,337	-	-		46,337
Pass-Through Johns Hopkins University	84.RD	6,612	-	-		6,612
Contract/Other	84.Unknown	-	-	288		288
<b>Total Department of Education</b>		2,470,061	1,160,360,990	701,262,942		1,864,093,993
<b>SMITHSONIAN INSTITUTION</b>						
Contract/Other	85.12PO33700000238	-	-	16,456		16,456
Contract/Other	85.12PO33700000255	-	-	4,000		4,000
Contract/Other	85.12PO33700000263	-	-	24,999		24,999
Contract/Other	85.12PO33700000271	-	-	13,578		13,578
Contract/Other	85.12PO33700000273	-	-	16,192		16,192
Contract/Other	85.510	-	-	279		279
Smithsonian Institution Fellowship Program	85.601	-	-	203,671		203,671
<b>Total Smithsonian Institution</b>		-	-	279,175		279,175
<b>NATIONAL ARCHIVES &amp; RECORDS ADMINISTRATION</b>						
National Historical Publications & Records Grants	89.003	-	-	10,646		10,646
National Archives and Records Administration – Research and Development	89.RD	118,832	-	-		118,832
<b>Total National Archives &amp; Records Administration</b>		118,832	-	10,646		129,478
<b>US ELECTION ASSISTANCE COMMISSION (EAC)</b>						
Help America Vote Act	90.401	-	-	513,623		513,623
Pass-Through Information Technology and Innovation Foundation	90.RD	126,621	-	-		126,621
<b>Total US Election Assistance Commission</b>		126,621	-	513,623		640,244
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)</b>						
Contract / Other	93.000	-	-	2,023,777		2,023,777
Pass-Through National Association of County & City Health Officials Public Health Information	93.000	-	-	842		842
Programs for Prevention of Elder Abuse	93.041	-	-	118,067		118,067
Long term care ombudsman services for older individuals	93.042	-	-	410,426		410,426
Special Programs for the Aging: Title III, Part F: Disease Prevention and Health Promotion Services	93.043	-	-	352,708		352,708
<b>Aging Cluster</b>						
Special Programs for the Aging: Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	-	-	8,030,203		8,030,203
Special Programs for the Aging: Title III, Part C: Nutrition Services	93.045	-	-	10,053,050		10,053,050
Nutrition Services Incentive Program	93.053	-	-	1,531,420		1,531,420
<b>Total Aging Cluster</b>					19,614,673	
Special Programs for the Aging: Title IV: Training, Research and Discretionary Projects & Programs	93.048	-	-	370,531		370,531
Nation Family Caregiver Support Program	93.052	-	-	2,105,425		2,105,425
Neuraminidase Inhibition Testing	93.065	-	-	8,031		8,031
Global AIDS	93.067	-	-	14,828,486		14,828,486
Pass-Through Uganda Protestant Medical Bureau	93.067	-	-	63,430		63,430
Pass-Through Christian Health Association of Kenya	93.067	-	-	85,000		85,000
Pass-Through Kenya Episcopal Conference-Catholic Services	93.067	-	-	98,260		98,260
Pass-Through Uganda Episcopal Conference	93.067	-	-	118,812		118,812
Pass-Through Catholic Medical Mission Board	93.067	-	-	523,340		523,340
Pass-Through University of Zambia	93.067	-	-	777,958		777,958
Pass-Through Christian Health Association of Nigeria	93.067	-	-	1,113,587		1,113,587
Pass-Through Center for Clinical Care and Research	93.067	-	-	1,601,706		1,601,706
Pass-Through Institute of Human Virology, Nigeria	93.067	-	-	1,808,265		1,808,265
Pass-Through University of Nairobi	93.067	-	-	2,479,447		2,479,447
Pass-Through Catholic Relief Services	93.067	-	-	6,728,468		6,728,468

The accompanying notes are an integral part of this schedule.



STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>						
Public Health Emergency Preparedness	93.069	\$ -	\$ -	\$ 13,560,285		\$ 13,560,285
Asthma - From a Public Health Perspective	93.070	-	-	654,650		654,650
State Systems Interoperability	93.075	-	-	1,121,554		1,121,554
Futures Without Violence Project	93.088	-	-	40,997		40,997
IVE-Guardianship	93.090	-	-	820,453		820,453
Personal Responsibility Education	93.092	-	-	979,061		979,061
Food and Drug Administration: Research	93.103	-	-	403,422		403,422
Pass-Through Oak Ridge Institute for Science & Education	93.103	-	-	11,090		11,090
Comprehensive Community Mental Health Services for SED	93.104	-	-	2,568,614		2,568,614
Pass-Through SAIC-Frederick, Inc	93.10ST1116ST02	46,015	-	-		46,015
Maternal and Child Health Federal Consolidated Programs	93.110	-	-	30,786		30,786
Maternal and Child Health Federal Consolidated Programs	93.110	21,099	-	-		21,099
Maternal and Child Health Federal Consolidated Programs	93.110	-	-	78,589		78,589
Adolescent Family Life Research Grants	93.111	4,900	-	-		4,900
Environmental Health	93.113	1,800	-	-		1,800
Biological Response to Environmental Health Hazards	93.113	-	-	35,797		35,797
Project Grants and Cooperative agreements for Tuberculosis Control Programs	93.116	-	-	1,610,887		1,610,887
Oral Diseases and Disorders Research	93.121	-	-	10,125		10,125
Emergency Medical Services for Children	93.127	-	-	174,358		174,358
Primary Care Services: Resource Coordination and Development: Primary Care Offices	93.130	-	-	226,545		226,545
Sexual Assault Prevention	93.136	1,383	-	-		1,383
Injury Prevention and Control Research and State and Community Based Programs	93.136	-	-	840,917		840,917
Pass-Through University of Pittsburg	93.145	-	-	120,104		120,104
Project for assistance in Transition from Homelessness (PATH)	93.150	-	-	1,243,206		1,243,206
Coordinated HIV Services and Access to Research for Children, Youth, Women and Families	93.153	-	-	933,051		933,051
Grants for State Loan Repayments	93.165	-	-	201,080		201,080
Research related to Deafness and Communication Disorders	93.173	-	-	302,334		302,334
Nursing Workforce Diversity	93.178	-	-	193,730		193,730
Pass-Through Westat Corporation	93.200-2011-37926/0001	-	-	322,454		322,454
Family Planning: Services	93.217	-	-	3,472,577		3,472,577
Pass-Through Baltimore City Health Department	93.217	-	-	28,895		28,895
Research on Healthcare Costs, Quality and Outcomes	93.226	-	-	22,678		22,678
Abstinence Education	93.235	-	-	481,698		481,698
Oral Health Workforce Activities	93.236	-	-	282,089		282,089
Mental Health Research Grants	93.242	9,141	-	-		9,141
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	-	-	174,018		174,018
Substance Abuse and Mental Health Services	93.243	18,992	-	-		18,992
Substance Abuse and Mental Health Services	93.243	-	-	4,567,139		4,567,139
Pass-Through Johns Hopkins University	93.249	-	-	87,097		87,097
Universal Newborn Hearing Screening	93.251	-	-	218,458		218,458
Poison Center Support and Enhancement Grant Program	93.253	-	-	203,725		203,725
Pass-Through University of Washington	93.2554-2012-M-53313	-	-	3,994		3,994
Family Planning Personnel Training	93.260	-	-	127,628		127,628
Occupational Safety and Health Program	93.262	-	-	221		221
Maryland Occupational Health Surveillance	93.262	-	-	95,044		95,044
Nurse Faculty Loan Program (NFLP)	93.264	-	106,806	-		106,806
Nurse Faculty Loan Program (NFLP) - ARRA	93.264	-	4,330	-		4,330
Pass-Through Catholic Relief Services	93.266	-	-	1,092,897		1,092,897
Immunization Grants	93.268	-	-	4,953,781		4,953,781
Adult Viral Hepatitis Prevention and Control	93.270	-	-	135,999		135,999
Maryland Access Recovery	93.275	-	-	3,326,210		3,326,210
Drug Free Communities Support Program	93.276	-	-	315,446		315,446
Career Development Awards	93.277	-	-	77,387		77,387
Drug Abuse National Research Service Awards for Research Training	93.278	-	-	42,347		42,347
Drug Abuse Research Programs	93.279	19,010	-	-		19,010
Drug Abuse Research Programs: Pass-Through Louisiana State University	93.279	-	-	87,392		87,392
Mental Health National Research Service Awards for Research Training	93.282	-	-	129,997		129,997
Center for Disease Control and Prevention: Investigations and Technical Assistance	93.283	-	-	12,090,418		12,090,418
Technological Innovations to Improve Human Health	93.286	12,420	-	-		12,420
Minority Health State Partnership Grant	93.296	-	-	111,101		111,101
Small Rural Hospital Improvement Grants	93.301	-	-	22,140		22,140
Minority Health and Health Disparities Research	93.307	408,802	-	-		408,802
Minority Health and Health Disparities Research	93.307	-	-	32,795		32,795
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	-	11,292,074	-		11,292,074
Advanced Education Nursing Traineeships	93.358	-	-	271,273		271,273
Nurse Education Practice and Retention Grants	93.359	-	-	8,266		8,266
Nursing Student Loans	93.364	-	1,545,903	-		1,545,903
Pass-Through American College of Radiology	93.395	-	-	39,707		39,707
Cancer Research Manpower - ARRA	93.398	15,866	-	-		15,866
Cancer Control	93.399	-	-	2,512		2,512
Cancer Control - ARRA	93.399	44,537	-	-		44,537
State Primary Care Offices - ARRA	93.414	-	-	157,647		157,647
Food Safety and Security Monitoring Project	93.448	-	-	222,400		222,400
School- Based Health Centers Capital Program	93.501	-	-	181,582		181,582
Maternal, Infant, and Early Childhood Home Visiting Program	93.505	-	-	1,939,556		1,939,556
Strengthening Public Health Infrastructure Improvement	93.507	-	-	374,139		374,139
Affordable Care Act	93.511	-	-	755,758		755,758
Affordable Care Act - Aging and Disability Resource Center	93.517	-	-	59,038		59,038
Affordable Health Care	93.519	-	-	471,683		471,683
CDC-ACA - Tobacco - Communities Putting Prevention to Work	93.520	-	-	6,123		6,123
Affordable Care Act - Building Epidemiology Laboratory	93.521	-	-	1,170,186		1,170,186
Enhanced Comprehensive HIV Prevention	93.523	-	-	1,210,924		1,210,924
Oral Health - APHA The Power of Policy	93.524	-	-	24,112		24,112
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	93.525	-	-	34,010,987		34,010,987
Healthiest MD Building Support Community Change	93.531	-	-	2,043,119		2,043,119
MD Emergency Psychiatric Demonstration	93.537	-	-	3,616,130		3,616,130
Environmental Public Health Tracking	93.538	-	-	888,228		888,228
Immunization Grant Prevention and Public Health	93.539	-	-	240,447		240,447
Coordinated Chronic Disease Prevention	93.544	-	-	345,203		345,203
Promoting Safe and Stable Families	93.556	-	-	5,354,093		5,354,093
Pass-through Baltimore City Department of Social Services	93.556	-	-	37,310		37,310

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>						
Temporary Assistance for Needy Families (TANF) Cluster	93.558	\$ -	\$ -	\$ 205,252,342		\$ 205,252,342
Child Support Enforcement	93.563	-	-	82,634,993		82,634,993
Child Support Enforcement Research	93.564	-	-	26,390		26,390
Refugee and Entrant Assistance - State Administrated Programs	93.566	-	-	12,376,531		12,376,531
Refugee and Entrant Assistance - Voluntary Agency Programs	93.567	-	-	264,039		264,039
Low-Income Home Energy Assistance	93.568	-	-	78,038,563		78,038,563
Community Services Block Grant (CSBG)	93.569	-	-	8,713,756		8,713,756
<b>Child Care and Development Fund Cluster (CCDF)</b>						
Child Care and Development Block Grant	93.575	-	-	25,951,112		25,951,112
Pass-through Maryland Family Network	93.575	-	-	129,131		129,131
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	-	-	41,795,710		41,795,710
<b>Total CCDF Cluster</b>					\$ 67,875,953	
Refugee and Entrant Assistance - Discretionary Grants	93.576	-	-	390,036		390,036
Refugee and Entrant Assistance- Targeted Assistance	93.584	-	-	103,961		103,961
Targeted Assist	93.584	-	-	740,458		740,458
State Court Improvement Program	93.586	-	-	540,796		540,796
Grants to States for Access and Visitation Programs	93.597	-	-	183,585		183,585
Education and Training Vouchers	93.599	-	-	711,563		711,563
Head Start Program	93.600	-	-	1,693,356		1,693,356
Pass Through - Maryland Family Network	93.600	-	-	374,633		374,633
Family Kinship Connection	93.605	-	-	206,219		206,219
Voting access for Individual with Disabilities	93.617	-	-	101,944		101,944
State Innovation Models	93.624	-	-	925,019		925,019
Development Disabilities Basic Support and Advocacy Grants	93.630	-	-	1,008,635		1,008,635
Children's Justice Grants to States	93.643	-	-	786,276		786,276
Child Welfare Services: State Grants	93.645	-	-	3,738,825		3,738,825
Social Services Research and Demonstration	93.647	-	-	30,831		30,831
Pass-Through Child Trends	93.647	-	-	20,770		20,770
Child Welfare Research	93.648	10,000	-	-		10,000
Pass-Through Division for Research University at Albany, State University of New York	93.648	-	-	133,773		133,773
Foster Care - Title IV-E - ARRA	93.658	-	-	126,220		126,220
Foster Care - Title IV-E	93.658	-	-	67,840,083		67,840,083
Adoption Assistance - Title IV-E	93.659	-	-	25,143,111		25,143,111
Social Services Block Grant (SSBG)	93.667	-	-	52,916,780		52,916,780
Child Abuse and Neglect State Grants	93.669	-	-	728,547		728,547
Family Violence Prevention and Services/Grants for Battered Women's Shelters:						
States & Indian Tribes	93.671	-	-	1,809,790		1,809,790
Chafee Foster Care Independent Living	93.674	-	-	2,013,322		2,013,322
Pass-Through Health Research, Inc	93.6U1NA085990501	-	-	103,477		103,477
Animal Model of Dual Diagnosis - ARRA	93.701	-	-	19,122		19,122
Trans-NIH Recovery Act Research Support - ARRA	93.701	1,781,915	-	-		1,781,915
Trans-NIH Recovery Act Research Support - ARRA	93.701	-	-	5,018,126		5,018,126
Pass-Through Northwestern University Medical School - ARRA	93.701	1,225	-	-		1,225
Pass-Through Ohio State University Research Foundation - ARRA	93.701	2,181	-	-		2,181
Pass-Through Westat Incorporated - ARRA	93.701	3,354	-	-		3,354
Pass-Through University of Pennsylvania - ARRA	93.701	5,173	-	-		5,173
Pass-Through Johns Hopkins University - ARRA	93.701	6,638	-	-		6,638
Pass-Through The Research Institute at Nationwide Children's Hospital - ARRA	93.701	7,000	-	-		7,000
Pass-Through Duke University - ARRA	93.701	14,252	-	-		14,252
Pass-Through University of California, Irvine - ARRA	93.701	24,109	-	-		24,109
Pass-Through Mount Sinai School of Medicine - ARRA	93.701	27,860	-	-		27,860
Pass-Through University of Iowa - ARRA	93.701	54,011	-	-		54,011
Pass-Through Case Western University - ARRA	93.701	1,338	-	-		1,338
National Center for Research Resources, Recovery Act Construction Support - ARRA	93.702	-	-	2,114,259		2,114,259
Head Start - ARRA	93.708	-	-	383,991		383,991
State Health Information Exchange - ARRA	93.719	-	-	2,282,151		2,282,151
Nutrition and Physical Activity and Tobacco - ARRA	93.723	-	-	13,115		13,115
Pass-Through Chesapeake Regional Information System for our Patients - ARRA	93.727	46,566	-	-		46,566
Pass-Through University of Texas-Houston - ARRA	93.728	290,910	-	-		290,910
Chronic Disease Self-Management Education	93.734	-	-	27,506		27,506
Public Health Approaches for Ensuring Quitline Capacity	93.735	-	-	330,391		330,391
Breast and Cervical Cancer Screening	93.744	-	-	244,843		244,843
Behavioral Risk Factor Surveillance System	93.745	-	-	94,079		94,079
Children's Health Insurance Program (CHIP)	93.767	-	-	220,578,454		220,578,454
Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	93.768	-	-	220,009		220,009
<b>Medicaid Cluster</b>						
State Medicaid Fraud Control Units	93.775	-	-	2,098,291		2,098,291
State Survey and Certification of Health Care Providers and Suppliers	93.777	-	-	6,356,331		6,356,331
Medical Assistance Program (Medicaid)	93.778	-	-	4,049,032,584		4,049,032,584
Pass-Through Child Trends	93.778	-	-	3,188		3,188
Pass-Through New Mexico Human Services Department	93.778	-	-	21,961		21,961
<b>Total Medicaid Cluster</b>					4,057,512,355	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	-	-	1,040,068		1,040,068
Operations Grant High Risk Health Pools	93.780	-	-	2,224,943		2,224,943
Alternatives to Psychiatric Residential Treatment Facilities for Children	93.789	-	-	6,894,336		6,894,336
Money Follows the Person	93.791	-	-	12,563,138		12,563,138
Cardiovascular Diseases Research	93.837	-	-	43,419		43,419
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	-	77,699		77,699
Allergy, Immunology, & Transplantation Research	93.855	-	-	489,689		489,689
Allergy, Immunology, & Transplantation Research - ARRA	93.855	73,659	-	-		73,659
Marc U Star/RISE	93.859	929,232	-	-		929,232

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>						
Biomedical Research and Research	93.859	\$ -	\$ -	\$ 1,960,615		\$ 1,960,615
Biomedical Research and Research - ARRA	93.859	4,315	-	-		4,315
Pass-Through University of Pittsburgh - ARRA	93.859	19,596	-	-		19,596
Center for Research for Mothers and Children	93.865	-	-	270,973		270,973
Child Health and Human Development Extramural Research	93.865	395,814	-	-		395,814
Pass-Through Westat Incorporated - ARRA	93.865	113,566	-	-		113,566
Aging Research	93.866	-	-	207,719		207,719
Health Care and Other Facilities	93.887	-	-	169,140		169,140
Health Information Technology Specifications Congress Initiative	93.888	-	-	184,129		184,129
National Bioterrorism Hospital Preparedness	93.889	-	-	7,167,319		7,167,319
Family and Community Violence Prevention Program	93.910	-	-	3,857		3,857
Rural Health Outreach – Rural Network Development Program	93.912	-	-	57,368		57,368
Pass-Through Garrett County Health Department	93.912	-	-	12,869		12,869
Pass-Through Western Maryland Area Health Education Center	93.912	-	-	35,207		35,207
Grants to States for Operation of Offices of Rural Health	93.913	-	-	173,069		173,069
HIV Emergency Relief Project Grants	93.914	-	-	221,346		221,346
Pass-Through Associated Black Charities	93.914	-	-	413,780		413,780
Pass-Through Associated Black Charities	93.914	-	-	3,694,364		3,694,364
HIV Care Formula Grants	93.917	-	-	40,423,573		40,423,573
Pass-Through Baltimore City Health Department	93.917	-	-	2,753		2,753
Pass-Through Delaware HIV Consortium	93.917	-	-	15,847		15,847
Public Health Service Act - AIDS	93.938	-	-	270,187		270,187
HIV Prevention Activities: Health Department Based	93.940	-	-	10,177,948		10,177,948
Pass-Through Baltimore City Health Department	93.940	-	-	201,798		201,798
HIV Demonstration, Research, Public/Professional Education Projects	93.941	52,405	-	-		52,405
Epidemiologic Research Studies of Acquired AIDS	93.943	-	-	132,812		132,812
HIV/AIDS Surveillance	93.944	-	-	1,263,777		1,263,777
Pregnancy Risk Assessment	93.946	-	-	133,707		133,707
Block Grants for Community Mental Health Services	93.958	-	-	7,378,330		7,378,330
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	-	33,688,399		33,688,399
Pass-Through Allegany County Health Department	93.959	-	-	73,836		73,836
Public Health Traineeships	93.964	-	-	2,102		2,102
Preventive Health Services: Sexually Transmitted Diseases Control Grants	93.977	-	-	1,332,575		1,332,575
Pass-Through University of Zambia	93.989	-	-	85,700		85,700
Pass-Through University of Nairobi	93.989	-	-	397,002		397,002
National Health Promotion	93.991	-	-	68,955		68,955
Preventive Health & Health Services Block Grant	93.991	-	-	580,827		580,827
Maternal and Child Health Services Block Grant to the States	93.994	-	-	11,042,270		11,042,270
Pass-Through Booz Allen and Hamilton, Inc	93.GS23P9755H	59,979	-	-		59,979
Pass-Through Johns Hopkins University	93.HHSA2902010000091	39,227	-	-		39,227
Pass-Through Aquilent, Inc	93.HHSB27600800681U	-	-	78,843		78,843
Contract / Other Food and Drug Administration	93.HHSF22301211330P	12,188	-	-		12,188
Contract / Other Food and Drug Administration	93.HHSF223201110600P	23,365	-	-		23,365
Pass-Through IMPAQ International, Inc	93.HHSM-500-2006-000071	48,047	-	-		48,047
Pass-Through Econometrica, Inc	93.HHSM500201100035G	-	-	26,640		26,640
Pass-Through SAIC-Frederick, Inc	93.HHSN261200800001E	-	-	9,951		9,951
Pass-Through University of Chicago - ARRA	93.HHSN261200800001E	33,985	-	-		33,985
Pass-Through SAIC-Frederick, Inc - ARRA	93.HHSN261200800001E	186,291	-	-		186,291
Pass-Through University of Chicago	93.HHSN261201100071C	-	-	706		706
Pass-Through Radiological Society of North America - ARRA	93.HHSN268200900060C-5A	57,480	-	-		57,480
Pass-Through Radiological Society of North America - ARRA	93.HHSN268200900060C-5B	34,316	-	-		34,316
Contract / Other National Institute of Health	93.HHSN268201200012C	-	-	445,027		445,027
Pass-Through Research Foundation for Mental Health Hygiene - ARRA	93.HHSN-271200900020C	545,177	-	-		545,177
Contract / Other National Institute of Health	93.HHSN271201200655P	23,594	-	-		23,594
Contract / Other National Institute of Health	93.HHSN2712013000016	-	-	3,287		3,287
Contract / Other National Institute of Health	93.HHSN-276-2011-0004c	-	-	1,879,117		1,879,117
Pass-Through Aquilent, Inc	93.HHSP23320100002B	68,254	-	-		68,254
Contract / Other Food and Drug Administration	93.IPA	-	-	8,460		8,460
Contract / Other Agency for Health Care Research and Quality	93.IPA	-	-	25,456		25,456
Contract / Other Center for Disease Control	93.IPA	-	-	37,596		37,596
Contract / Other National Institute of Health	93.IPA	-	-	318,436		318,436
Contract / Other Food and Drug Administration	93.IPA-Topoleski	-	-	51,113		51,113
Pass-Through University of California, San Francisco	93.N01-A1-15416	36,285	-	-		36,285
Contract / Other National Institute of Health	93.N01-DA-5-9909	-	-	8,380		8,380
Contract / Other National Institute of Health	93.N01-LM-6-3502	-	-	1,681		1,681
Contract / Other National Institute of Health	93.N01-LM-6-3522	-	-	89,223		89,223
Agency for Healthcare Research and Quality	93.RD	751,707	-	-		751,707
Pass-Through Children's Hospital of Philadelphia	93.RD	21,691	-	-		21,691
Pass-Through Denver Health and Hospital Authority	93.RD	27,298	-	-		27,298
Pass-Through Johns Hopkins University	93.RD	8,356	-	-		8,356
Pass-Through University of Massachusetts, Worcester	93.RD	109,608	-	-		109,608
Pass-Through Yale New Haven Health Systems	93.RD	313,160	-	-		313,160
Center for Disease Control and Prevention	93.RD	890,414	-	-		890,414
Pass-Through Catholic Relief Services	93.RD	81,618	-	-		81,618
Pass-Through Miriam Hospitals	93.RD	2,130	-	-		2,130
Pass-Through Montgomery County Department of Health	93.RD	6,579	-	-		6,579
Pass-Through Sigmovir Biosystems, Inc	93.RD	20,462	-	-		20,462
Pass-Through University of Houston	93.RD	15,208	-	-		15,208
Pass-Through University of Florida	93.RD	21,497	-	-		21,497
Pass-Through University Nottingham	93.RD	1,056,507	-	-		1,056,507
Food and Drug Administration	93.RD	3,330,129	-	-		3,330,129
Pass-Through National Institute for Pharmaceutical Technology and Education	93.RD	77,698	-	-		77,698
Pass-Through Oak Ridge Associated Universities	93.RD	108,610	-	-		108,610
Pass-Through Oak Ridge National Laboratory	93.RD	24,886	-	-		24,886
Health Resources and Services Administration	93.RD	2,026,705	-	-		2,026,705
Pass-Through American University	93.RD	40,048	-	-		40,048
Pass-Through Health Research, Inc	93.RD	6,875	-	-		6,875
Pass-Through Johns Hopkins University	93.RD	250,839	-	-		250,839
Pass-Through University of Pittsburgh	93.RD	294,123	-	-		294,123

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>						
National Institutes of Health	93.RD	\$ 234,471,995	\$ -	\$ -		\$ 234,471,995
Pass-Through American College of Radiology	93.RD	166,326	-	-		166,326
Pass-Through Aretect, LLC	93.RD	11,407	-	-		11,407
Pass-Through Arizona State University	93.RD	69,698	-	-		69,698
Pass-Through Association Pour le Dev de l'Ens et des Recher	93.RD	88,433	-	-		88,433
Pass-Through Battelle Memorial Institute	93.RD	52,687	-	-		52,687
Pass-Through Baylor College of Medicine	93.RD	47,265	-	-		47,265
Pass-Through Baylor Research Institute	93.RD	199,057	-	-		199,057
Pass-Through Beckman Research Institute of City of Hope	93.RD	136,156	-	-		136,156
Pass-Through Beth Israel Deaconess Medical Center	93.RD	18,626	-	-		18,626
Pass-Through Boston Biomedical Research Institute	93.RD	209,573	-	-		209,573
Pass-Through Boston University	93.RD	724,224	-	-		724,224
Pass-Through Brigham and Women's Hospital	93.RD	254,273	-	-		254,273
Pass- Through Buck Institute for Age Research	93.RD	25,295	-	-		25,295
Pass-Through California Pacific Medical Center Research Institute	93.RD	29,462	-	-		29,462
Pass-Through Case Western University	93.RD	104,909	-	-		104,909
Pass-Through Chestnut Health Systems	93.RD	37,550	-	-		37,550
Pass-Through Children's Hospital Boston	93.RD	80,834	-	-		80,834
Pass-Through Children's Hospital of Philadelphia	93.RD	4,107	-	-		4,107
Pass-Through Children's National Medical Center	93.RD	455,246	-	-		455,246
Pass-Through Children's Research Institute	93.RD	44,814	-	-		44,814
Pass-Through Cincinnati Children's Hospital Medical Center	93.RD	25,748	-	-		25,748
Pass-Through CircuLite Incorporated	93.RD	176,754	-	-		176,754
Pass-Through Columbia University	93.RD	3,494	-	-		3,494
Pass-Through Colorado School of Mines	93.RD	170,376	-	-		170,376
Pass-Through Drexel University	93.RD	45,092	-	-		45,092
Pass-Through Duke University	93.RD	264,101	-	-		264,101
Pass-Through Duke University Medical Center	93.RD	193,919	-	-		193,919
Pass-Through Emory University	93.RD	68,728	-	-		68,728
Pass-Through Encore Path, Inc	93.RD	456	-	-		456
Pass-Through Fluorometrix Corporation	93.RD	164,237	-	-		164,237
Pass-Through Geisinger Clinic	93.RD	102,450	-	-		102,450
Pass-Through Geneva Foundation	93.RD	353,703	-	-		353,703
Pass-Through Georgetown University	93.RD	317,934	-	-		317,934
Pass-Through George Mason University	93.RD	25,977	-	-		25,977
Pass-Through Georgia Health Sciences University	93.RD	95,765	-	-		95,765
Pass-Through Gliknik Inc	93.RD	116,806	-	-		116,806
Pass-Through Henry M Jackson Foundation	93.RD	117,005	-	-		117,005
Pass-Through Harvard University	93.RD	107,778	-	-		107,778
Pass-Through GPB Scientific LLC	93.RD	128,524	-	-		128,524
Pass-Through Howard University	93.RD	450	-	-		450
Pass-Through Hugo W Moser Research at Kennedy Krieger, Inc.	93.RD	31,938	-	-		31,938
Pass-Through Jarvik Heart Incorporated	93.RD	261,266	-	-		261,266
Pass-Through Johns Hopkins University	93.RD	2,918,793	-	-		2,918,793
Pass-Through Kennedy Krieger Institute	93.RD	45,902	-	-		45,902
Pass-Through Kent State University	93.RD	87,603	-	-		87,603
Pass-Through LeukoSight, Inc	93.RD	45,050	-	-		45,050
Pass-Through Louisiana State University	93.RD	49,804	-	-		49,804
Pass-Through MD Anderson Cancer Center	93.RD	222,858	-	-		222,858
Pass-Through Maryland Science Center	93.RD	363	-	-		363
Pass-Through Massachusetts General Hospital	93.RD	401,686	-	-		401,686
Pass-Through Medical University of South Carolina	93.RD	7,795	-	-		7,795
Pass-Through Medigen Inc	93.RD	183,628	-	-		183,628
Pass-Through Michigan State University	93.RD	125,710	-	-		125,710
Pass-Through The Mind Research Network	93.RD	105,558	-	-		105,558
Pass-Through Minneapolis Medical Research Foundation	93.RD	7,365	-	-		7,365
Pass-Through Mount Sinai School of Medicine	93.RD	1,515,630	-	-		1,515,630
Pass-Through National Childhood Cancer Foundation	93.RD	1,229	-	-		1,229
Pass-Through New England Research Institute	93.RD	57,480	-	-		57,480
Pass-Through New York Blood Center, Inc	93.RD	153,432	-	-		153,432
Pass-Through New York University	93.RD	17,243	-	-		17,243
Pass-Through New York University Medical School	93.RD	49,332	-	-		49,332
Pass-Through North Carolina State University	93.RD	7,572	-	-		7,572
Pass-Through Northwestern University Medical School	93.RD	11,213	-	-		11,213
Pass-Through Ohio State University	93.RD	17,816	-	-		17,816
Pass-Through Profectus Biosciences	93.RD	16,696	-	-		16,696
Pass-Through Radiant Creative Group, LLC	93.RD	28,280	-	-		28,280
Pass-Through Rand Corporation	93.RD	27,087	-	-		27,087
Pass-Through Research Foundation of State University of New York, Binghamton	93.RD	4,518	-	-		4,518
Pass-Through Rice University	93.RD	67,898	-	-		67,898
Pass-Through SAIC-Frederick, Inc	93.RD	186,430	-	-		186,430
Pass-Through Science Applications International Corporation (SAIC)	93.RD	171,425	-	-		171,425
Pass-Through Sheppard Pratt Health System	93.RD	17,471	-	-		17,471
Pass-Through Sigmovir Biosystems, Inc	93.RD	174,177	-	-		174,177
Pass-Through St. Louis University	93.RD	354	-	-		354
Pass-Through Strategic Community Services, Inc.	93.RD	65,239	-	-		65,239
Pass-Through Synaptic Research LLC	93.RD	249	-	-		249
Pass-Through Teens Have Choices	93.RD	16,013	-	-		16,013
Pass-Through Temple University	93.RD	162,469	-	-		162,469
Pass-Through Texas A&M University	93.RD	60,892	-	-		60,892
Pass-Through The J. David Gladstone Institutes	93.RD	278,162	-	-		278,162
Pass-Through The Ohio State University Research Foundation	93.RD	168,046	-	-		168,046
Pass-Through The Research Foundation of State University of New York (SUNY)	93.RD	183,765	-	-		183,765
Pass-Through Tufts University	93.RD	12,084	-	-		12,084
Pass-Through Tulane University School of Public Health and Tropical Medicine	93.RD	13,216	-	-		13,216
Pass-Through University of Alabama at Birmingham	93.RD	33,553	-	-		33,553
Pass-Through University of Arizona	93.RD	55,929	-	-		55,929

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>						
Pass-Through University of California	93.RD	\$ 46,833	\$ -	\$ -		\$ 46,833
Pass-Through University of California, Los Angeles	93.RD	12,648	-	-		12,648
Pass-Through University of California, San Francisco	93.RD	46,673	-	-		46,673
Pass-Through University of Cincinnati	93.RD	212,244	-	-		212,244
Pass-Though University of Chicago	93.RD	220,984	-	-		220,984
Pass-Through University of Colorado	93.RD	138,059	-	-		138,059
Pass-Through University of Florida	93.RD	531,769	-	-		531,769
Pass-Through University of Louisville Research Foundation	93.RD	8,059	-	-		8,059
Pass-Through University of Massachusetts	93.RD	172,499	-	-		172,499
Pass-Through University of Medicine and Dentistry of New Jersey	93.RD	14,207	-	-		14,207
Pass-Through University of Miami	93.RD	255,695	-	-		255,695
Pass-Through University of Michigan	93.RD	200,091	-	-		200,091
Pass-Through University of Michigan, Ann Arbor	93.RD	26,595	-	-		26,595
Pass-Through University of Michigan Medical School	93.RD	46,378	-	-		46,378
Pass-Through University of Minnesota	93.RD	207,229	-	-		207,229
Pass-Through University of Missouri	93.RD	60,766	-	-		60,766
Pass-Through University of Nebraska Medical Center	93.RD	62,200	-	-		62,200
Pass-Through University of New Mexico	93.RD	68,664	-	-		68,664
Pass-Through University of North Carolina at Chapel Hill	93.RD	455,730	-	-		455,730
Pass-Through University of Oklahoma	93.RD	7,324	-	-		7,324
Pass-Through University of Pennsylvania	93.RD	329,957	-	-		329,957
Pass-Through University of Pittsburg	93.RD	1,324,203	-	-		1,324,203
Pass-Through University of Rochester Medical Center	93.RD	4,135	-	-		4,135
Pass-Through University of South Carolina	93.RD	210,433	-	-		210,433
Pass-Through University of Southern California	93.RD	78,399	-	-		78,399
Pass-Through University of South Florida	93.RD	309,071	-	-		309,071
Pass-Through University of Texas at Austin	93.RD	71,734	-	-		71,734
Pass-Through University of Texas Health Science Center at San Antonio	93.RD	548,677	-	-		548,677
Pass-Through University of Texas- Houston	93.RD	148,006	-	-		148,006
Pass-Through University of Utah	93.RD	5,971	-	-		5,971
Pass-Through University of Texas Southwestern Medical Center	93.RD	15,233	-	-		15,233
Pass-Through University of Virginia	93.RD	496,386	-	-		496,386
Pass-Though University of Washington	93.RD	85,609	-	-		85,609
Pass-Through University of Wisconsin	93.RD	363,779	-	-		363,779
Pass-Through Vanderbilt University	93.RD	544,119	-	-		544,119
Pass-Through Virginia Polytechnic and State University	93.RD	210,450	-	-		210,450
Pass-Through Wake Forest University	93.RD	1,376	-	-		1,376
Pass-Through Washington University	93.RD	280,911	-	-		280,911
Pass-Through Wayne State University	93.RD	248,309	-	-		248,309
Pass-Through West Virginia University	93.RD	12,695	-	-		12,695
Pass-Through West Virginia University Research Corporation	93.RD	5,218	-	-		5,218
Pass-Through Westat Incorporated	93.RD	48,884	-	-		48,884
Pass-Through Women and Infants Hospital of Rhode Island	93.RD	2,785	-	-		2,785
Pass-Through Xcision Medical Systems, LLC	93.RD	5,438	-	-		5,438
Pass-Through Yale New University	93.RD	20,297	-	-		20,297
Administration for Children and Families	93.RD	2,584,940	-	-		2,584,940
Pass-Through Action for Child Protection, Inc	93.RD	289,663	-	-		289,663
Pass-Through Baltimore City, Maryland Department of Social Services	93.RD	192,686	-	-		192,686
Pass-Through Children & Families First	93.RD	27,678	-	-		27,678
Pass-Through Dartmouth College	93.RD	14,063	-	-		14,063
Pass-Through Emory University Hospital	93.RD	1,481	-	-		1,481
Pass-Through Division for Research University at Albany, State University of New York	93.RD	165,670	-	-		165,670
Centers for Medicare and Medicaid Services	93.RD	7,895	-	-		7,895
Pass-Through Abt Associates	93.RD	19,591	-	-		19,591
Pass-Through Econometrica, Inc	93.RD	18,031	-	-		18,031
Pass-Through Healthcare Management Solutions, LLC	93.RD	61,875	-	-		61,875
Pass-Through Aeolus Pharmaceuticals, Inc	93.RD	2,194,699	-	-		2,194,699
Pass-Through Countervail Corporation	93.RD	1,543,562	-	-		1,543,562
Pass-Through Bowling Green State University	93.RD	10,096	-	-		10,096
Substance Abuse and Mental Health Services Administration	93.RD	1,111,907	-	-		1,111,907
Other Research and Development	93.RD	130,204	-	-		130,204
Pass-Through BLH Technologies	93.Unknown	-	-	32,000		32,000
Contract / Other	93.Unknown	-	-	105,903		105,903
<b>Total Department of Health and Human Services</b>		<b>279,445,636</b>	<b>12,949,113</b>	<b>5,222,021,164</b>		<b>5,514,415,913</b>
<b>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICE (CNCS)</b>						
State Commissions	94.003	-	-	205,269		205,269
Learn and Serve America: School and Community Based Programs	94.004	-	-	25,048		25,048
AmeriCorps - ARRA	94.006	-	-	6,244		6,244
AmeriCorps	94.006	-	-	3,520,779		3,520,779
Pass-Through Public Allies, Inc	94.006	-	-	84,926		84,926
Planning and Program Development Grants	94.007	-	-	76,776		76,776
Training and Technical Assistance	94.009	-	-	26,040		26,040
Foster Grandparents	94.011	-	-	319,350		319,350
Volunteer Generation Fund	94.021	-	-	163,215		163,215
Corporation for National and Community Service	94.RD	1,031,136	-	-		1,031,136
<b>Total Corporation for National &amp; Community Service</b>		<b>1,031,136</b>	<b>-</b>	<b>4,427,647</b>		<b>5,458,783</b>
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>						
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	-	-	8,508,733		8,508,733
Executive Office of the President	95.RD	67,556	-	-		67,556
<b>Total Executive Office of the President</b>		<b>67,556</b>	<b>-</b>	<b>8,508,733</b>		<b>8,576,289</b>

STATE OF MARYLAND  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b><u>SOCIAL SECURITY ADMINISTRATION (SSA)</u></b>						
<b>Disability Insurance/SSI Cluster</b>						
Social Security: Disability Insurance	96.001	\$ -	\$ -	\$ 33,598,340		\$ 33,598,340
Supplemental Security Income (SSI)	96.006	-	-	2,834,489		2,834,489
<b>Total Disability Insurance/SSI Cluster</b>					\$ 36,432,829	
Unallocated Federal Funds	96.Unknown	-	-	268,377		268,377
<b>Total Social Security Administration</b>		-	-	36,701,206		36,701,206
<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>						
Pass-Through Drexel University	97.000	35,267	-	-		35,267
NRC - Safeguards Information	97.005	-	-	4,667		4,667
State and Local Homeland Security National Training Program	97.005	-	-	178,587		178,587
Urban Areas Security Initiative	97.008	-	-	11,889,153		11,889,153
Citizenship Education and Training	97.010	-	-	62,159		62,159
Boating Safety Financial Assistance	97.012	-	-	3,091,357		3,091,357
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	-	-	120,997		120,997
Flood Mitigation Assistance (FMA)	97.029	-	-	37,331		37,331
Public Assistance Grants	97.036	-	-	49,131,411		49,131,411
Hazard Mitigation Grant (HMGP)	97.039	-	-	206,766		206,766
National Dam Safety Program	97.041	-	-	305,179		305,179
Emergency Management Performance Grants	97.042	-	-	6,503,994		6,503,994
State Fire Training Systems Grant	97.043	-	-	26,000		26,000
Emergency Management - Cooperating Technical Partners	97.045	-	-	374,420		374,420
Pre-Disaster Mitigation	97.047	-	-	282,088		282,088
Presidential Declared Disaster Assistance to Individuals and Households	97.050	-	-	358,049		358,049
Emergency Operation Center Improvement 2010	97.052	-	-	39,374		39,374
Citizen Corps	97.053	-	-	189,947		189,947
Interoperable Emergency Communications Grant Program - FY 2008	97.055	-	-	804,247		804,247
Port Security Grant Program for Critical National Seaports	97.056	-	-	12,644,608		12,644,608
Centers for Homeland Security	97.061	-	-	61,347		61,347
Scientific Leadership Awards	97.062	-	-	116,012		116,012
Homeland Security Grant Program	97.067	-	-	12,749,339		12,749,339
Pass-Through District of Columbia Government	97.067	-	-	996,021		996,021
Metropolitan Medical Response Program	97.071	-	-	398,754		398,754
K-9 Grant	97.072	-	-	430,722		430,722
Homeland Security - MDOT Grant	97.075	-	-	10,439,306		10,439,306
Buffer Zone Protection Program	97.078	-	-	884,621		884,621
Real ID FY 2008	97.089	-	-	55,164		55,164
Law Enforcement Officer Reimb.	97.090	-	-	261,902		261,902
Biowatch Laboratory Support	97.091	-	-	99,726		99,726
Degrees at a Distance Program	97.103	-	-	2,952		2,952
Homeland Security - Related Science, Technology, Engineering, and Mathematics						
(HS Stem) Career Development Program	97.104	-	-	194,037		194,037
Regional Catastrophic Preparedness Grant Program - FY 2008	97.111	-	-	186,347		186,347
Pass-Through District of Columbia Government	97.111	-	-	5,522		5,522
Area Port Security (46365)	97.116	-	-	51,107		51,107
Contract / Other	97.HSHQDC10J0001	155,207	-	-		155,207
Contract / Other	97.HSHQDC10J0047	173,200	-	-		173,200
Contract / Other	97.HSHQDC11J0013	27,478	-	-		27,478
Pass-Through National Intergrated Cyber Education Research Center (NICERC)	97.RD	95,589	-	-		95,589
Department of Homeland Security	97.RD	4,918,716	-	-		4,918,716
Pass-Through District of Columbia Office of Homeland Security and Emergency Management						
Agency	97.RD	1,237,616	-	-		1,237,616
Contract / Other	97.Unknown	-	-	28,938		28,938
Statewide Catalog Number - Miscellaneous	97.Unknown	-	-	414,286		414,286
<b>Total Department of Homeland Security</b>		6,643,073	-	113,626,437		120,269,510
<b><u>US AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)</u></b>						
Pass-Through Public Health Institute	98.001	-	-	589		589
Pass-Through Salesian Missions, Inc	98.001	-	-	5,123		5,123
Pass-Through African Medical and Research Foundation	98.AID 623A1200015	-	-	52,878		52,878
Pass-Through Tetra Tech International Development	98.ICRPURCI001	-	-	1,087,419		1,087,419
Contract/ Other	98.IPA	-	-	13,961		13,961
Pass-Through African Wildlife Foundation	98.RD	73,869	-	-		73,869
Pass-Through Partnership for Supply Chain Management System	98.SCMSRTK1	-	-	54,510		54,510
Contract/ Other	98.Unknown	-	-	202,800		202,800
<b>Total US Agency for International Development</b>		73,869	-	1,417,280		1,491,149
<b><u>OTHER</u></b>						
Vietnam Educational Foundation	99. Unknown	-	-	26,406		26,406
<b>Total Other</b>		-	-	26,406		26,406
<b>TOTAL</b>		\$ 645,401,348	\$ 1,173,310,103	\$ 10,493,651,036		\$ 12,312,362,487

## **STATE OF MARYLAND**

### **Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2013**

#### **1. SINGLE AUDIT REPORTING ENTITY**

The State of Maryland (State) includes expenditures in its Schedule of Expenditures of Federal Awards (SEFA) for all Federal programs administered by the funds, agencies, boards and commissions, including component units, included in the State's reporting entity used for its basic financial statements, including the component unit higher education funds—the University System of Maryland, the Baltimore City Community College, Morgan State University, and St. Mary's College of Maryland. However, the Schedule of Expenditures of Federal Awards excludes the Maryland Water Quality Financing Administration of the Maryland Department of the Environment; the Maryland Transportation Authority, an enterprise fund of the State; the Maryland Technology Development Corporation, a component unit of the State; and the Maryland Health Insurance Plan, part of the general fund of the State. Separate single audits are conducted for these entities.

#### **2. BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards has been presented on the accrual basis of accounting. Expenditures are recorded, accordingly, when incurred rather than when paid.

The expenditures for Federal awards under the American Recovery and Reinvestment Act of 2009 (the Recovery Act) are separately identified on the accompanying Schedule of Expenditures of Federal Awards with the letters ARRA.

The non-cash expenditures of approximately \$17,962,000, reported under CFDA No. 10.550, Food Donation, represent the value of food commodity distributions calculated using the U.S. Department of Agriculture, Food and Nutrition Service Commodity Price List in effect as of July 1, 2012. These food commodities were received by the Maryland Department of Education from the U.S. Department of Agriculture for the year ended June 30, 2013.

The non-cash expenditures of approximately \$6,722,000, relating to the Emergency Food Assistance Program reported under CFDA No. 10.569, Emergency Food Assistance Program (Food Commodities), represent the value of food commodity distributions calculated using the U.S. Department of Agriculture, Food and Nutrition Service Commodity Price List in effect as of July 1, 2012. The food commodities were received by the Maryland Department of Human Resources from the U.S. Department of Agriculture for the year ended June 30, 2013.



## **STATE OF MARYLAND**

### **Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2013**

#### **2. BASIS OF ACCOUNTING (continued)**

Expenditures of approximately \$1,169,700,000, reported under CFDA No. 10.551, Supplemental Nutrition Assistance Program (SNAP), represent the fair market value of food stamps distributed for participants' food-stamp purchases during the year ended June 30, 2013.

The non-cash expenditures of approximately \$98,000, for CFDA No. 39.003, Donation of Federal Surplus Property Program, represents the average fair market value percentage, per the General Services Administration (GSA), of 25 percent of the Federal government original acquisition cost (OAC) of the Federal property transferred to recipients by the State during the year ended June 30, 2013.

#### **3. CATEGORIZATION OF EXPENDITURES**

The accompanying Schedule of Expenditures of Federal Awards reflects Federal expenditures for all individual grants that were active during the year. The categorization of expenditures by program included in the accompanying Schedule of Expenditures of Federal Awards is based on the Catalog of Federal Domestic Assistance (CFDA). Changes in the categorization of expenditures occur based on revisions to the CFDA, which are issued in June and December of each year. In accordance with the State's policy, the accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2013, reflects CFDA changes issued through June 2013.

#### **4. STATE NONMONETARY FEDERAL FINANCIAL ASSISTANCE**

The State distributes Federal surplus food to the institutions (schools, hospitals, and prisons) and to the needy. The total inventory balance of Federal surplus food on hand as of June 30, 2013, was \$0 for CFDA No. 10.550, Food Donation Program and approximately \$1,083,000, for CFDA No. 10.569, Emergency Food Assistance Program (Food Commodities), and they are not considered current year Federal expenditures. The surplus food was valued using the U.S. Department of Agriculture, Food and Nutrition Service Commodity Price List in effect as of July 1, 2012.

When surplus property is transferred to recipients, it is valued at 25 percent of its OAC, which represents an estimated fair market value of the property transferred. There was no donated Federal surplus property on hand as of June 30, 2013, for CFDA No. 39.003, Donation of Federal Surplus Property Program.



## STATE OF MARYLAND

### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

#### 5. OTHER AUDIT FINDINGS

Other audit reports exist that have also identified findings and questioned costs affecting the State's various Federal programs during the year ended June 30, 2013. Because those issues have been previously reported to the affected Federal agencies, the issues identified in other audit reports have not been repeated in the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2013.

The State believes that none of the matters questioned will have a significant impact on the Schedule of Expenditures of Federal Awards.

#### 6. UNEMPLOYMENT INSURANCE

In accordance with the Department of Labor, Office of Inspector General instructions, the State recorded State Regular Unemployment Compensation (UC) benefits under CFDA No. 17.225, on the accompanying Schedule of Expenditures of Federal Awards. The individual State and Federal portions are as follows:

State Regular UC benefits	\$ 801,914,665
Federal UC benefits	465,884,514
Federal UC administrative costs	<u>79,183,269</u>
<b>Total Benefits</b>	<u><u>\$ 1,346,982,448</u></u>

#### 7. FEDERAL MORTGAGE PLANS

The State operates several programs that purchase Federally guaranteed loans, primarily mortgages, from the originators. As the State has no responsibility for determining eligibility or compliance, these guarantees are not considered Federal financial assistance for purposes of the single audit.

## STATE OF MARYLAND

### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

#### 8. LOAN PROGRAMS

##### St. Mary's College of Maryland

St. Mary's College of Maryland (the College) administers the Federal Perkins Loan Program: Federal Capital Contributions (CFDA No. 84.038) (the Program). The College received no Federal funds under the Program for the year ended June 30, 2013. The new loans made in the year ended June 30, 2013, relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The Schedule of Expenditures of Federal Awards includes \$57,000, for loans issued during the year ended June 30, 2013.

During the year ended June 30, 2013, the College processed the following amount of new loans under the Federal Family Education Loan Program (CFDA No. 84.032), which includes the Stafford Loan and PLUS Loan. Since this program is administered by outside financial institutions, new loans made during the year ended June 30, 2013, relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The new loans made during the year ended June 30, 2013, are reported in the Schedule of Expenditures of Federal Awards.

		Loan Expenditures For the Year Ended June 30, 2013
CFDA Number	Program Name	
84.032	Stafford Loan Program	\$ 5,307,638
84.032	PLUS Loans	4,982,004
<b>Total</b>		<u><u>\$ 10,289,642</u></u>

##### Baltimore City Community College

Baltimore City Community College (the College) administers the Federal Perkins Loan Program: Federal Capital Contributions (CFDA No. 84.038) and Nursing Student Loans (CFDA No. 93.364). The outstanding loan balances as of June 30, 2013 were \$197,023 and \$0, respectively. There were no new loans made in the year ended June 30, 2013. The outstanding balances are considered current-year Federal expenditures. These amounts are reported in the Schedule of Expenditures of Federal Awards.

## STATE OF MARYLAND

### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

#### 8. LOAN PROGRAMS (continued)

##### Morgan State University

Morgan State University (the University) administers the Federal Perkins Loan Program: Federal Capital Contributions (CFDA NO. 84.038). The outstanding loan balance of \$3,178,341, as of June 30, 2012, the loan expenditures of \$73,573, for the year ended June 30, 2013, and the fiscal year 2013 administrative cost allowance of \$3,679, are considered current-year Federal expenditures. These amounts are reported in summary in the Schedule of Expenditures of Federal Awards.

During the year ended June 30, 2013, the University processed \$59,294,475, of new loans under the Federal Direct Student Loan Program (CFDA No. 84.268). Since this program is administered by outside financial institutions, the new loans made in the year ended June 30, 2013, relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The new loans made in the year ended June 30, 2013, are reported in the Schedule of Expenditures of Federal Awards.

##### University System of Maryland

During the year ended June 30, 2013, University System of Maryland (the System) processed the following amount of new loans under the Direct Loan Program, which includes the Federal Stafford and Plus Loan program. Since these loan programs are administered by the Federal government, new loans made in the year ended June 30, 2013, are reported in the Schedule of Expenditures of Federal Awards, whereas the outstanding loan balances are not.

CFDA Number	Program Name	Loan Expenditures For the Year Ended June 30, 2013
84.268	Federal Direct Student Loans	\$ 853,906,137

The System also administers loans under the Economic Adjustment Assistance Program (CFDA No. 11.307). Under this program, the System uses revolving loan funds to enhance economic activity. The Revolving Loan Fund (RLF) assists business development and expansion. Below is the detail to support the calculation of Total Federal Awards expended as included in the Schedule of Expenditures of Federal Awards:

# STATE OF MARYLAND

## Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

### 8. LOAN PROGRAMS (continued)

#### University System of Maryland (continued)

<b>Economic Development Administration (EDA) Award Number(s)</b>	<b>014903420- 01490342001</b>	<b>014903271</b>	<b>011903134</b>
1. Balance of RLF loans outstanding at the end of the fiscal year, <i>plus</i>	\$ 4,358,360	\$ 1,418,430	\$ 1,057,499
2. Cash and investment balance in the RLF at the end of the fiscal year, <i>plus</i>	207,170	427,835	52,119
3. Administrative expenses paid out of RLF income during the fiscal year, <i>plus</i>	176,961	-	-
4. The unpaid principal of all loans written off during the fiscal year, <i>and then multiply this sum (1+2+3+4) by</i>	-	-	-
5. The Federal share of the RLF	75%	75%	57.47%
<b>6. Total Federal Awards Expended</b>	<b>\$ 3,556,868</b>	<b>\$ 1,384,699</b>	<b>\$ 637,711</b>

The System administers the following Federal Student Financial Assistance Programs:

<b>CFDA Number</b>	<b>Outstanding Balance as of June 30 , 2012</b>	<b>Loan Expenditures For the Year Ended June 30,</b>
84.038 Perkins Loan Programs	\$ 60,848,303	\$ 6,509,781
93.264 Nurse Faculty Loan Program- ARRA	4,330	-
93.264 Nurse Faculty Loan Program	106,806	-
93.364 Federal Nursing Loan – Undergraduate	1,276,210	14,000
93.364 Federal Nursing Loan – Graduate	209,693	46,000
93.342 Health Professional Loan – Dental	4,827,612	985,339
93.342 Health Professional Loan – Medical	4,218	-
93.342 Health Professional Loan – Pharmacy	1,163,071	247,500
93.342 Health Professional Loan - Primary Care	4,064,334	-
<b>Total</b>	<b>\$ 72,504,577</b>	<b>\$ 7,802,620</b>

The outstanding loan balances as of June 30, 2012, and loan expenditures for the year ended June 30, 2013 are considered current-year Federal expenditures. These amounts are reported on the Schedule of Expenditures of Federal Awards.

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

## STATE OF MARYLAND

### Schedule of Findings and Questioned Costs Year Ended June 30, 2013

#### Section I – Summary of Independent Public Accountant’s Results

##### Financial Statements

Type of Independent Public Accountant’s report issued	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

##### Federal Awards

Type of Independent Public Accountant’s report issued on compliance for major programs	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	None reported
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

# STATE OF MARYLAND

## Schedule of Findings and Questioned Costs Year Ended June 30, 2013

### Section I – Summary of Independent Public Accountant’s Results (continued)

#### Identification of Major Programs

Major Program	CFDA No.	Federal Expenditures
Child and Adult Care Food Program	10.558	\$ 48,230,643
Broadband Technology Opportunities Program - ARRA	11.557	51,294,583
Broadband Technology Opportunities Program	11.557	177,910
State-Administered CDBG Cluster	14.228	12,105,364
HOME Investment Partnership Program	14.239	8,489,676
Housing Voucher Cluster	14.871	17,206,218
Unemployment Insurance	17.225	1,346,982,448
Federal Transit Cluster - ARRA	20.500/20.507/20.525	7,315,588
Federal Transit Cluster	20.500/20.507/20.525	181,565,096
Career and Technical Education - Basic Grants to States	84.048	15,674,874
Twenty-First Century Community Learning Centers	84.287	12,493,301
SFSF - Race-to-the-Top Incentive Grants - ARRA	84.395	64,726,540
Aging Cluster	93.044/93.045/93.053	19,614,673
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	93.525	34,010,987
Temporary Assistance for Needy Families (TANF) Cluster	93.558	205,252,342
Child Support Enforcement	93.563	82,634,993
Refugee and Entrant Assistance - State Programs	93.566	12,376,531
Low-Income Home Energy Assistance	93.568	78,038,563
Adoption Assistance - Title IV-E	93.659	25,143,111
Children's Health Insurance Program (CHIP)	93.767	220,578,454
Medicaid Cluster	93.775/93.777/93.778	4,057,512,355
Money Follows The Person	93.791	12,563,138
Block Grants for Prevention and Treatment of Substance Abuse	93.959	33,762,235
Maternal and Child Health Services Block Grant to the States	93.994	11,042,270
Disability Insurance/SSI Cluster	96.001/96.006	36,432,829
Urban Areas Security Initiative	97.008	11,889,153
Homeland Security Grant Program	97.067	13,745,360
Student Financial Assistance Cluster	84.007/84.033/84.037/ 84.038/84.063/84.268/ 84.379/84.408/93.264/ 93.342/93.364/93.408/ 93.925	1,173,310,103
Research and Development Cluster (R&D)	Various	645,401,348
Passenger Facility Charges	Unknown	101,110,694
<b>Total</b>		<b>\$ 8,540,681,380</b>

# STATE OF MARYLAND

## Schedule of Findings and Questioned Costs Year Ended June 30, 2013

### Section I – Summary of Independent Public Accountant’s Results (continued)

The Passenger Facility Charge relates to collections by the Maryland Aviation Administration in accordance with Section 158.67 of 14 Code of Federal Regulations Part 158, “Passenger Facility Charge” and is not technically considered to be Federal Financial Assistance as defined by OMB Circular A-133, but have been included in the scope of this single audit.

**Dollar threshold used to distinguish between type A and type B programs:** \$30,000,000

**Auditee qualified as low-risk Auditee?** No

### Section II Financial Statement Findings

None

### Section III Federal Awards Findings and Questioned Costs

See findings 2013-001 through 2013-015

### Section IV Summary Schedule of Prior Year Findings

See findings 2012-001 through 2012-015

See findings 2011-001, 2011-004,  
2011-006, and 2011-008

See findings 2010-001, 2010-009,  
and 2010-010

See finding 2009-003

See finding 2008-001

See finding 2007-003



### **SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

# STATE OF MARYLAND

## Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

<b>Finding No.</b>	<b>Funding Department</b>	<b>Title of Finding</b>
2013-001	U.S. Department of Health and Human Services	Compliance and Internal Control Deficiency over Reporting
2013-002	U.S. Department of Health and Human Services	Compliance and Internal Control Deficiency over Special Tests and Provisions – Automatic Data Processing (ADP) Risk Analysis and System Security Review
2013-003	U.S. Department of Agriculture	Compliance and Internal Control Deficiency over Reporting
2013-004	U.S. Department of Education	Compliance and Internal Control Deficiency over Reporting
2013-005	U.S. Department of Education	Compliance and Internal Control Deficiency over Reporting
2013-006	U.S. Department of Education	Compliance and Internal Control Deficiency over Reporting
2013-007	Federal Transit Administration	Compliance and Internal Control Deficiency over Activities Allowed or Unallowed and Allowable Costs/Cost Principles
2013-008	U.S. Department of Health and Human Services	Compliance and Internal Control Deficiency over Reporting – Subaward Reporting under the Transparency Act
2013-009	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions – Student Enrollment Reporting
2013-010	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions – Student Enrollment Reporting
2013-011	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions – Return of Title IV Funds
2013-012	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions – Student Enrollment Reporting
2013-013	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions – Student Enrollment Reporting
2013-014	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions – Return of Title IV Funds
2013-015	U.S. Department of Education	Compliance and Internal Control Deficiency over Reporting

## **STATE OF MARYLAND**

### **Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2013 - 001**

##### **Maryland Health Benefit Exchange (MHBE)**

##### **CFDA No. 93.525 - State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges**

##### **U.S. Department of Health and Human Services (HHS)**

##### **Compliance and Internal Control Deficiency over Reporting**

###### ***Condition:***

During our testing of Reporting at the Maryland Health Benefit Exchange (MHBE), we noted that one of the four Quarterly Progress Reports selected for testing could not be located by MHBE.

###### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215.27) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in Internal Control – Integrated Framework (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate controls that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Per the Cooperative Agreement for the State of Maryland to Support Establishment of State-Operated Health Insurance Exchanges, MHBE is required to submit Quarterly Progress Reports to the HHS Grants Management Specialist and to the Center for Consumer Information and Insurance Oversight (CCIIO) Project Officer. Quarterly Progress Reports are due within 30 days after the end of the quarter.

###### ***Cause:***

MHBE submits quarterly progress reports to HHS via Centers for Medicare and Medicaid Services' (CMS) Online Data Collection System (OLDC) and did not maintain a copy of one of the reports selected for testing.

###### ***Effect:***

We were not able to test if MHBE is in compliance with the reporting requirements for the State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges. MHBE has a significant deficiency in internal control over the compliance requirements for reporting.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 001 (continued)

***Questioned Costs:***

None.

***Recommendation:***

We recommend that MHBE maintain records of all required reports with supporting documentation and evidence of review and approval.

***Auditee Response and Corrective Action Plan:***

With regard to the specific report missing during the FY 2013 audit, MHBE submitted the progress report to HHS for the quarter ended December 31, 2012 via the CMS Online Data Collection System (OLDC), however, the report was unable to be retrieved. MHBE will resubmit the report in question to HHS by April 4, 2014 and will retain a copy for its records. Additionally, copies of all future progress reports submitted to HHS will be retained.

***Auditor Conclusion:***

Based on the above, the finding remains as stated.

## **STATE OF MARYLAND**

### **Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2013 - 002**

##### **Department of Health and Mental Hygiene (DHMH)**

##### **Medicaid Cluster**

**CFDA No. 93.775, 93.777, 93.778**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Compliance and Internal Control Deficiency over Special Tests and Provisions – Automatic Data Processing (ADP) Risk Analysis and System Security Review**

##### ***Condition:***

DHMH is required to conduct periodic risk analysis of new and existing ADP systems on a biennial basis. The ADP risk analysis was last completed during fiscal year 2010. During the audit, we noted that the ADP risk analysis was not completed during fiscal year 2012 nor 2013. It needed to be completed in fiscal year 2012 in order to fall within the biennial requirement.

##### ***Criteria:***

OMB Circular A-133 states that “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 analysis whenever significant system changes occur. State agencies shall review the ADP system security installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices. The State agency shall maintain reports on its biennial ADP system security reviews, together with pertinent supporting documentation, for HHS on-site reviews (45 CFR Section 95.621).”

##### ***Cause:***

DHMH did not have proper monitoring controls in place to ensure adherence with the timing requirement set forth by the Federal agency.

##### ***Effect:***

DHMH did not complete the ADP risk analysis on a biennial basis.

##### ***Questioned Costs:***

None.

##### ***Recommendation:***

We recommend that DHMH strengthen its existing controls over monitoring the timeliness of the ADP risk analysis to ensure the Federal timing requirement is met.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2013 - 002** (continued)

***Auditee Response and Corrective Action Plan:***

While the contract to perform the Risk Assessment was awarded in June 2013, it was completed in September 2013.

To ensure future Risk Assessments are completed timely, the Administration will contract directly for the performance of the required biennial risk assessments, rather than include the review as part of the overall DHMH Risk Assessment.

***Auditor Conclusion:***

The risk assessment was not completed during state fiscal year 2013; therefore, the finding remains as stated.

## **STATE OF MARYLAND**

### **Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2013 - 003**

##### **Department of Education (MSDE)**

##### **CFDA No. 10.558 – Child and Adult Care Food Program**

##### **U.S. Department of Agriculture**

##### **Compliance and Internal Control Deficiency over Reporting**

###### ***Condition:***

During our discussion with management on reporting requirements, it was noted that the Federal Funding Accountability and Transparency Act (FFATA) required under 1512(c)(4) of the American Recovery and Reinvestment Act (ARRA) had not been met as the client had not submitted the report for this program.

###### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215.27) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in Internal Control – Integrated Framework (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate controls that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

2 CFR Part 170 Appendix A I.a.1. entities must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds for a subaward to an entity. Further, I.a.2.ii. states that subaward information must be reported no later than the end of the month following the month in which the obligation was made.

###### ***Cause:***

Management understood that the Child and Adult Care Food Program is a needs based/reimbursement program and was not subject to FFATA reporting.

###### ***Effect:***

MSDE is not in compliance with FFATA reporting requirements for the Child and Adult Care Food Program.

###### ***Questioned Costs:***

None.

###### ***Recommendation:***

This CFDA is subject to FFATA reporting requirements and consequently the auditors recommend that MSDE develop procedures that would allow for the successful and timely submission of the FFATA.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2013 - 003 (continued)**

***Auditee Response and Corrective Action Plan:***

MSDE will review its existing controls and procedures regarding FFATA reporting requirements. These controls and procedures will be updated to ensure that the Agency is in compliance with FFATA regulations. The updated controls and procedures will be implemented across the Agency by May 30, 2014.

***Auditor's Conclusion:***

Based on the above, the finding remains as stated.



## **STATE OF MARYLAND**

### **Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2013 - 004**

##### **Department of Education (MSDE)**

##### **CFDA No. 84.048 – Career and Technical Education - Basic State Grants**

##### **U.S. Department of Education**

##### **Compliance and Internal Control Deficiency over Reporting**

###### ***Condition:***

During our discussion with management on reporting requirements, it was noted that the Federal Funding Accountability and Transparency Act (FFATA) required under 1512(c)(4) of the American Recovery and Reinvestment Act (ARRA) had not been met as the report had not been submitted within the required time frame.

###### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215.27) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in Internal Control – Integrated Framework (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate controls that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

2 CFR Part 170 Appendix A I.a.1. entities must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds for a subaward to an entity. Further, I.a.2.ii. states that subaward information must be reported no later than the end of the month following the month in which the obligation was made.

###### ***Cause:***

The FFATA report was not submitted due to an oversight by management. Upon notification, management filed the report in October 2013.

###### ***Effect:***

MSDE is not in compliance with FFATA reporting requirements for the Career and Technical Education - Basic State Grants and Twenty-First Century Community Learning Centers programs.

###### ***Questioned Costs:***

None.

###### ***Recommendation:***

The auditors recommend that MSDE develop procedures that would allow for the successful and timely submission of the FFATA.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2013 – 004 (continued)**

***Auditee Response and Corrective Action Plan:***

MSDE will review its existing controls and procedures regarding FFATA reporting requirements. These controls and procedures will be updated to ensure that the Agency is in compliance with FFATA regulations. The updated controls and procedures will be implemented across the Agency by May 30, 2014.

***Auditor's Conclusion:***

Based on the above, the finding remains as stated.

# **STATE OF MARYLAND**

## **Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013**

### **Finding 2013 - 005**

#### **Department of Education (MSDE)**

#### **CFDA No. 84.048 – Career and Technical Education - Basic State Grants**

#### **U.S. Department of Education**

#### **Compliance and Internal Control Deficiency over Reporting**

##### ***Condition:***

During testing of the Federal Funding Accountability and Transparency Act (FFATA), it was determined that three non-school subrecipients' grant awards were not reported on the FFATA. The award amounts totaled \$178,966.

##### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215.27) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in Internal Control – Integrated Framework (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate controls that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

2 CFR Part 170 Appendix A I.a.1. entities must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds for a subaward to an entity. Further, I.a.2.ii. states that subaward information must be reported no later than the end of the month following the month in which the obligation was made.

##### ***Cause:***

Only information related to schools and not for all sub-recipients was reported.

##### ***Effect:***

MSDE is not in compliance with FFATA reporting requirements for Career and Technical Education - Basic State Grants.

##### ***Questioned Costs:***

None.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2013 – 005 (continued)**

***Recommendation:***

The auditors recommend that MSDE review their procedures for compiling the FFATA to ensure that all information necessary is captured.

***Auditee Response and Corrective Action Plan:***

MSDE will review its existing control and procedures regarding FFATA reporting requirements. These controls and procedures will be updated to ensure that the Agency is in compliance with FFATA regulations. The updated control and procedures will be implemented across the Agency by May 30, 2014.

***Auditor's Conclusion:***

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2013 - 006**

**Department of Education (MSDE)**

**CFDA No. 84.395 – State Fiscal Stabilization Fund - Race to the Top - ARRA**

**U.S. Department of Education (ED)**

**Compliance and Internal Control Deficiency over Reporting**

***Condition:***

During testing of American Recovery and Reinvestment Act (ARRA) 1512 reports, the auditors noted that sub-grant award amounts were not properly reported for 2 out of 2 1512 reports selected for testing.

***Criteria:***

American Recovery and Reinvestment Act Section 1512 (c)(4) states that each recipient shall submit to the Federal agency, detailed information on any subcontracts or subgrants award by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282).

***Cause:***

MSDE did not enter the correct amounts awarded to subgrantees in the 1512 reports.

***Effect:***

MSDE is not in compliance with the reporting requirements under OMB A-133 for the Race to the Top program.

***Questioned Costs:***

None.

***Recommendation:***

MSDE should implement a review procedure to ensure that the information captured in the 1512 reports is accurate.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 – 006 (continued)

##### *Auditee Response and Corrective Action Plan:*

PART L of the OMB A-133 Compliance Supplement refers to all reporting requirements associated with Race to the Top. The ARRA 1512 reports are one reporting requirement. This specific finding involves three prior fiscal year grants. The total award amount for each grant was subsequently decreased and the revised award amount was not correctly reported on subsequent ARRA 1512 reports. For all three grants, the expenditure amounts were reported correctly. The corrections have been made internally and will be made with [federalreporting.gov](http://federalreporting.gov) pending further guidance from ED, as the ARRA 1512 reporting requirement has ended.

##### *Auditor's Conclusion:*

Based on the above, the finding remains as stated.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 007

##### Department of Transportation (MDOT)

##### Federal Transit Cluster

CFDA 20.500 Federal Transit – Capital Investment Grants

CFDA 20.507 Federal Transit – Formula Grants (Urbanized Area Formula Program)

CFDA 20.525 State of Good Repair Grants

##### Federal Transit Administration (FTA)

#### Compliance and Internal Control Deficiency over Activities Allowed or Unallowed and Allowable Costs/Cost Principles

##### **Condition:**

During our testing of Activities Allowed or Unallowed and Allowable Costs/Cost Principles at the Maryland Transit Administration (MTA), we reviewed the transaction details of 40 expenditures and noted one exception. We noted that an expenditure that was subsequently refunded to MTA had been charged to FTA for reimbursement.

##### **Criteria:**

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215.27) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate controls that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

OMB Circular A-87 (2 CFR part 225) requires that costs must be net of all applicable credits to be allowable under Federal awards.

##### Per OMB A-87:

Applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transaction are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 007 (continued)

***Cause:***

The reclassification process did not uncover the fact that the transaction had been reversed. Looking at the original journal entry in the accounting system will not inform the user that the entry has been reversed.

***Effect:***

MTA is not in compliance with the Allowable Cost requirements for the Federal Transit Cluster.

***Questioned Costs:***

\$140,428

***Recommendation:***

We recommend that MTA incorporate identifying reversed journal entries into their reclassification process. We also recommend that MTA credit the refunded expenditure of \$140,428, to the Federal award either as a cost reduction or cash refund, as appropriate.

***Auditee Response and Corrective Action Plan:***

Washington Metropolitan Area Transit Authority (WMATA) issued a check to Maryland Transit Administration (MTA) on November 2, 2010 pursuant to the Memorandum of Agreement regarding the Takoma-Langley Transit Center along the borders of Prince George's and Montgomery Counties.

The Accounting Department recorded the refund of expenditures, but was later reversed since the refund was already recorded. However, on April 23, 2013, Capital Programming made a journal entry to transfer the expenditures to another grant.

Upon discovery of this error, MTA immediately credited the refunded expenditure and replaced it with eligible expenses for the project that were previously paid out of state funds. Additionally, MTA revised the journal entry process and created an additional step that checks WebFocus reports for prior refunds or journal entries to the grant. MTA also instituted an additional level of management oversight and review to the journal entry process to identify reversed journal entries.

***Auditor's Conclusion:***

Based on the above, the finding remains as stated.



## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 008

##### State of Maryland – Department of Aging

###### Aging Cluster

CFDA 93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers
CFDA 93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services
CFDA 93.053	Nutrition Services Incentive Program

##### U.S. Department of Health and Human Services (HHS)

#### Compliance and Internal Control Deficiency Over Reporting – Subaward Reporting Under the Transparency Act

##### *Condition:*

During our testing of Subaward Reporting under the Transparency Act at the Maryland Department of Aging (MDOA), we noted that MDOA does not report subaward data in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) for subawards subject to the Transparency Act.

##### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215.27) requires that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

The Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282) (Transparency Act), as amended by Section 6202(a) of the Government Funding Transparency Act of 2008 (Pub. L. No. 111-252), implementing requirements in 2 CFR part 170, and the Federal Acquisition Regulation (FAR), require recipient reporting of each first-tier subaward or subaward amendment that results in an obligation of \$25,000 or more in Federal funds by the end of the month following the month in which the reportable action occurred.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 008 (continued)

***Criteria:*** (continued)

For grants and cooperative agreements, the effective date is October 1, 2010 for all discretionary and mandatory awards equal to or exceeding \$25,000 made with a new Federal Assistance Identification Number (FAIN) on or after that date. The FAIN is the unique award number assigned to a particular grant or cooperative agreement by the Federal awarding agency (as opposed to the CFDA number, which pertains to a program generally). As it appears on the prime award document (e.g., pre-printed form, letter, or electronically generated format), this number also may be termed “award number”, “grant number”, or be indicated by some other terminology, but its purpose is to identify that particular award. The FAIN may include both letters and numbers. The Federal Government does not specify any requirements for numbering of subawards.

Grant and cooperative agreement recipients and contractors are required to register in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) and report subaward data through FSRS.

***Cause:***

MDOA is not registered in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) and does not report subaward data through FSRS.

***Effect:***

MDOA is not in compliance with the Subaward Reporting under the Transparency Act requirement for the Aging Cluster.

***Questioned Costs:***

None.

***Recommendation:***

We recommend that MDOA register in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) and implement procedures to report subawards subject to the Transparency Act through FSRS.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 008 (continued)

##### *Auditee Response and Corrective Action Plan:*

As recommended, MDOA has registered with the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) and has been granted access to the online reporting system. For the initial reporting, MDOA will create a listing of all federal awards received and identify those grants that require subaward reporting under the Transparency Act. Once the grants awards have been identified, MDOA will review the subaward allocations to ensure that the subaward meets the minimum required reporting threshold of \$25,000. Those subawards that do not and will not meet this minimum threshold need not be reported. Once the subawards have been verified to have met the minimum threshold, MDOA will log into the FSRS reporting tool and create the "Awardee Worklist" to capture all identified grant awards that require reporting. Once the initial reporting has been completed, and in accordance with FFATA regulations and guidelines, MDOA will update this listing as needed and report subawards through the FSRS system no later than the last day of the month following the obligation of funding to the subawardees.

##### *Auditor's Conclusion:*

Based on the above, the finding remains as stated.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 009

##### University System of Maryland – University of Maryland Eastern Shore (UMES)

##### Student Financial Assistance Cluster

CFDA 84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
CFDA 84.032	Federal Family Education Loans (FFEL)
CFDA 84.033	Federal Work- Study Program (FWS)
CFDA 84.037	Perkins Loan Cancellations
CFDA 84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions
CFDA 84.063	Federal Pell Grant Program (Pell)
CFDA 84.268	Federal Direct Student Loans (Direct Loan)

##### U.S Department of Education (ED)

#### Compliance and Internal Control Deficiency over Special Tests and Provisions - Student Enrollment Reporting

##### *Condition:*

Three out of forty students tested were reported in the database incorrectly and two out of forty were reported late. One of the students' withdrawal date was incorrectly reported and two of the students withdrew from the school but were incorrectly reported as full-time. It took UMES more than 60 days to update two of the students' status within NSLDS.

##### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

##### Per OMB A-133:

Under the FFEL and Direct Loan programs, schools must complete and return within 30 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) mailboxes sent by ED via National Student Loan Data System (NSLDS) (*OMB No. 1845-0035*). The institution determines how often it receives the Enrollment Reporting roster file with the default set at every two months, but the minimum is twice a year.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 009 (continued)

##### *Criteria: (continued)*

Per OMB A-133: (continued)

Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Unless the school expects to complete its next roster within 60 days, the school must notify the lender or the guaranty agency within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309).

Per 34 CFR § 682.610(a)(6)(c):

A school shall — (1) Upon receipt of a student status confirmation report form from the Secretary or a similar student status confirmation report form from any guaranty agency, complete and return that report within 30 days of receipt to the Secretary or the guaranty agency, as appropriate; and (2) Unless it expects to submit its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days — (i) If it discovers that a Stafford, Supplemental Loans for Students (SLS), or Parent Loan for Undergraduate Students (PLUS) has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis; (ii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended; (iii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a full-time student who has ceased to be enrolled on a full-time basis; or (iv) If it discovers that a student who is enrolled and who has received a Stafford or SLS loan has changed his or her permanent address.

##### *Cause:*

UMES did not have proper controls in place to review and update enrollment status changes for students receiving student financial aid.

##### *Effect:*

The change in the student's enrollment is not properly reported in the NSLDS database, thus, repayment date, grace period, and deferment is not properly determined.

##### *Questioned Costs:*

None.

##### *Recommendation:*

We recommend that UMES establish procedures to ensure that enrollment status changes are updated and accurately reported in a timely manner in the NSLDS database.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 009 (continued)

##### *Auditee Response and Corrective Action Plan:*

University of Maryland Eastern Shore accepts the finding related to student enrollment reporting. Although the number of enrollment reporting transmittals was increased from three to four times a semester to report status changes within a 30 day time period, we have found that PeopleSoft has no delivered functionality to deal with terminal status changes such as in the case of student withdrawals where once the student is withdrawn, a student's account would be recalculated and the academic program/plan inactivated. Since the Records Office does not have the capability to recalculate, there can be a lag time between recalculation and inactivating the program/plan. In some instances, this resulted in students appearing to be active without a change in their enrollment status. To this respect, PeopleSoft is supposed to be rolling out a fix to allow tuition to be recalculated once a withdrawal has been processed. This would allow the program/plan to be updated immediately and with consistent dates. In the interim, UMES will refine their business practices by doing the following: In addition to using system reports, a manual database of student withdrawals will be maintained for review prior to and in between reporting periods to ensure the program/plan of students who withdraw are inactivated with the same effective date of the withdrawal (student career term). Once enrollment reports are processed by National Student Clearinghouse (NSC), records of withdrawn students will be reviewed to ensure the correct status has been reported. We will also investigate the use of a custom automated process for all terminal status changes which would process the term withdrawal, run tuition calculation and update the academic program/plan to ensure all processes are completed consistently and in a timely fashion.

##### *Auditor's Conclusion:*

Based on the above, the finding remains as stated.

## **STATE OF MARYLAND**

### **Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2013 - 010**

##### **University System of Maryland – Towson University (TU)**

###### **Student Financial Assistance Cluster**

<b>CFDA 84.007</b>	<b>Federal Supplemental Educational Opportunity Grants (FSEOG)</b>
<b>CFDA 84.032</b>	<b>Federal Family Education Loans (FFEL)</b>
<b>CFDA 84.033</b>	<b>Federal Work- Study Program (FWS)</b>
<b>CFDA 84.037</b>	<b>Perkins Loan Cancellations</b>
<b>CFDA 84.038</b>	<b>Federal Perkins Loan (FPL) – Federal Capital Contributions</b>
<b>CFDA 84.063</b>	<b>Federal Pell Grant Program (Pell)</b>
<b>CFDA 84.268</b>	<b>Federal Direct Student Loans (Direct Loan)</b>

##### **U.S Department of Education (ED)**

#### **Compliance and Internal Control Deficiency over Special Tests and Provisions - Student Enrollment Reporting**

##### ***Condition:***

During our testing of student enrollment reporting, we reviewed the enrollment status of forty students. We noted thirty-nine out of forty students selected were incorrectly classified and reported in the NSLDS database; and we noted one out of forty of the students' records cannot be found in the Clearinghouse database. Eighteen of the students withdrew from TU but were incorrectly reported as attending full-time. Twenty-one of the students' withdrawal dates were incorrectly reported to the Clearinghouse. We also noted thirty-seven out of forty students' status was reported to the Clearinghouse after the sixty-day requirement. This did not meet the enrollment reporting compliance requirement.

##### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 010 (continued)

##### *Criteria: (continued)*

Per OMB A-133:

Under the FFEL and Direct Loan programs, schools must complete and return within 30 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) mailboxes sent by ED via National Student Loan Data System (NSLDS) (OMB No. 1845-0035). The institution determines how often it receives the Enrollment Reporting roster file with the default set at every two months, but the minimum is twice a year. Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Unless the school expects to complete its next roster within 60 days, the school must notify the lender or the guaranty agency within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309).

Per 34 CFR § 682.610(a)(6)(c):

A school shall — (1) Upon receipt of a student status confirmation report form from the Secretary or a similar student status confirmation report form from any guaranty agency, complete and return that report within 30 days of receipt to the Secretary or the guaranty agency, as appropriate; and (2) Unless it expects to submit its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days — (i) If it discovers that a Stafford, Supplemental Loans for Students (SLS), or PLUS loan has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis; (ii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended; (iii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a full-time student who has ceased to be enrolled on a full-time basis; or (iv) If it discovers that a student who is enrolled and who has received a Stafford or SLS loan has changed his or her permanent address.

##### *Cause:*

TU incorrectly treated withdraw (“W”) as attending class, therefore, did not report student status changes related to withdraws.

##### *Effect:*

The change in the student’s enrollment is not properly reported in the NSLDS database, thus, repayment date, grace period, and deferment is not properly determined.

##### *Questioned Costs:*

None.



## **STATE OF MARYLAND**

### **Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2013 - 010 (continued)**

##### ***Recommendation:***

We recommend that TU establish procedures to ensure that enrollment status changes are updated and accurately reported in a timely manner in the NSLDS database.

##### ***Auditee Response and Corrective Action Plan:***

Towson University accepts the finding related to student enrollment reporting. TU reports enrollment to the National Student Clearinghouse (NSC) within the dates required; each report is sent within 30 to 60 days from the start of the term or from any preceding report. Through the Fall 2013 term, our reports have been based on Towson's definition of enrollment which includes units for progress; therefore grades of W (Withdraw) have counted toward the student's academic load. It has come to our attention that for federal financial aid purposes, we are required to exclude courses with grades of W in our reports to NSC which in turn provides our data to the National Student Loan Data System.

Beginning Spring 2014, TU will exclude W grades from all reports to the National Student Clearinghouse by modifying a delivered report in our PeopleSoft Student Information System. This will ensure that students with federal financial aid will be reported to NSLDS in the manner required.

##### ***Auditor's Conclusion:***

Based on the above, the finding remains as stated.

## **STATE OF MARYLAND**

### **Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2013 - 011**

##### **University System of Maryland – Towson University (TU)**

###### **Student Financial Assistance Cluster**

<b>CFDA 84.007</b>	<b>Federal Supplemental Educational Opportunity Grants (FSEOG)</b>
<b>CFDA 84.032</b>	<b>Federal Family Education Loans (FFEL)</b>
<b>CFDA 84.033</b>	<b>Federal Work- Study Program (FWS)</b>
<b>CFDA 84.037</b>	<b>Perkins Loan Cancellations</b>
<b>CFDA 84.038</b>	<b>Federal Perkins Loan (FPL) – Federal Capital Contributions</b>
<b>CFDA 84.063</b>	<b>Federal Pell Grant Program (Pell)</b>
<b>CFDA 84.268</b>	<b>Federal Direct Student Loans (Direct Loan)</b>

##### **U.S Department of Education (ED)**

#### **Compliance and Internal Control Deficiency over Special Tests and Provisions - Return of Title IV Funds**

##### ***Condition:***

During our testing of Return of Title IV funds, we reviewed the refund calculations for forty students. For twenty-two of the students selected from the 2013 spring semester, the Return of Title IV calculation performed by TU Financial Aid Office was inaccurate resulting in less refund to the Department of Education.

##### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 011 (continued)

##### *Criteria: (continued)*

Per 34 CFR Section 668.22:

In part, that an institution is required to have a fair and equitable refund policy. Per 34 CFR Section 668.22, 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 has unofficially withdrawn. The unearned portion of Title IV funds must be returned to the Department of Education within 45 calendar days of the date the student officially withdraws. Any unearned funds must be returned to the Title IV program and no additional disbursements may be made to the student for the payment period. If the student ceases attendance without providing official notification to the institution of his or her withdrawal in accordance with paragraph (c ) (1) (i) or (c ) (1) (ii) of this section, the mid-point of the payment period (or period of enrollment), is applicable.

##### *Cause:*

TU did not subtract the spring break out of the calculation for the semester days, which is required per Federal Guidelines, since the student did not attend school more than 5 consecutive days.

##### *Effect:*

This resulted in the incorrect amount being returned to the Department of Education.

##### *Questioned Costs:*

The questioned cost associated with the twenty-two exceptions was \$6,676.

##### *Recommendation:*

We recommend that TU update the formula of the Return of Title IV calculation in PeopleSoft. TU should also ensure that refunds are made for changes that result from the updating of the formula.

##### *Auditee Response and Corrective Action Plan:*

The Financial Aid Office has revised the procedures that we will follow when performing Title IV Return of Funds calculations on federal aid recipients. We now manually reduce the number of 'Total Days' and the number of 'Completed Days' to exclude breaks of more than 5 consecutive days. For fall terms, we only have to reduce the 'Total Days' because the fall break occurs after students have already completed 60% of the term, and we only have to perform these calculations on students who completely withdraw before the 60% point. For our spring terms, we will always reduce the 'Total Days' and will also reduce the 'Completed Days' when students completely withdraw after spring break has begun.

##### *Auditor's Conclusion:*

Based on the above, the finding remains as stated.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 012

##### Morgan State University (MSU)

##### Student Financial Assistance Cluster

CFDA 84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
CFDA 84.032	Federal Family Education Loans (FFEL)
CFDA 84.033	Federal Work- Study Program (FWS)
CFDA 84.037	Perkins Loan Cancellations
CFDA 84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions
CFDA 84.063	Federal Pell Grant Program (Pell)
CFDA 84.268	Federal Direct Student Loans (Direct Loan)

##### U.S Department of Education (ED)

#### Compliance and Internal Control Deficiency Over Special Tests and Provisions - Student Enrollment Reporting

##### **Condition:**

Fifteen out of forty students tested were not reported in the database and nine out of forty were reported late. Fifteen of the students could not be found in NSLDS. It took MSU more than 60 days to update nine of the students' status within NSLDS.

##### **Criteria:**

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

##### Per OMB A-133:

Under the FFEL and Direct Loan programs, schools must complete and return within 30 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) mailboxes sent by ED via National Student Loan Data System (NSLDS) (*OMB No. 1845-0035*). The institution determines how often it receives the Enrollment Reporting roster file with the default set at every two months, but the minimum is twice a year.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 012 (continued)

##### *Criteria: (continued)*

Per OMB A-133: (continued)

Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Unless the school expects to complete its next roster within 60 days, the school must notify the lender or the guaranty agency within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309).

Per 34 CFR § 682.610(a)(6)(c):

A school shall — (1) Upon receipt of a student status confirmation report form from the Secretary or a similar student status confirmation report form from any guaranty agency, complete and return that report within 30 days of receipt to the Secretary or the guaranty agency, as appropriate; and (2) Unless it expects to submit its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days — (i) If it discovers that a Stafford, Supplemental Loans for Students (SLS), or Parent Loan for Undergraduate Students (PLUS) loan has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis; (ii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended; (iii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a full-time student who has ceased to be enrolled on a full-time basis; or (iv) If it discovers that a student who is enrolled and who has received a Stafford or SLS loan has changed his or her permanent address.

##### *Cause:*

MSU did not have proper controls in place to review and update enrollment status changes for students receiving student financial aid.

##### *Effect:*

The change in the student's enrollment is not properly reported in the NSLDS database, thus, repayment date, grace period, and deferment is not properly determined.

##### *Questioned Costs:*

None.

##### *Recommendation:*

We recommend that MSU establish procedures to ensure that enrollment status changes are updated and accurately reported in a timely manner in the NSLDS database.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 012 (continued)

##### *Auditee Response and Corrective Action Plan:*

This recommendation has been implemented. With the arrival of the new Registrar, as of October 2013, the Office of Records and Registration has established and implemented procedures to correct the identified reporting deficiencies. Since that time, the University has been reporting the enrollment status of its students to the National Student Clearinghouse (NSC) in an accurate and timely manner. After the University submits the report, management receives notification from NSC that the transmission was successful. Therefore, changes in the students' enrollment are now properly reported to the National Student Loan Data System database via NSC.

##### *Auditor's Conclusion:*

Based on the above, the finding remains as stated.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 013

##### Saint Mary's College of Maryland (St. Mary's)

###### Student Financial Assistance Cluster

CFDA 84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
CFDA 84.032	Federal Family Education Loans (FFEL)
CFDA 84.033	Federal Work- Study Program (FWS)
CFDA 84.037	Perkins Loan Cancellations
CFDA 84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions
CFDA 84.063	Federal Pell Grant Program (Pell)
CFDA 84.268	Federal Direct Student Loans (Direct Loan)

##### U.S Department of Education (ED)

#### Compliance and Internal Control Deficiency over Special Tests and Provisions - Student Enrollment Reporting

##### *Condition:*

Thirty-four out of forty students tested were reported in the database incorrectly. Thirty-three of the students' status change date was incorrectly reported and one of the students withdrew from St. Mary's but was incorrectly reported as full-time.

##### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate controls that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

##### Per OMB A-133:

Under the FFEL and Direct Loan programs, schools must complete and return within 30 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) mailboxes sent by ED via National Student Loan Data System (NSLDS) (*OMB No. 1845-0035*). The institution determines how often it receives the Enrollment Reporting roster file with the default set at every two months, but the minimum is twice a year. Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 013 (continued)

##### *Criteria: (continued)*

Per OMB A-133: (continued)

Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Unless the school expects to complete its next roster within 60 days, the school must notify the lender or the guaranty agency within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309).

Per 34 CFR § 682.610(a)(6)(c):

A school shall—(1) Upon receipt of a student status confirmation report form from the Secretary or a similar student status confirmation report form from any guaranty agency, complete and return that report within 30 days of receipt to the Secretary or the guaranty agency, as appropriate; and (2) Unless it expects to submit its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days — (i) If it discovers that a Stafford, Supplemental Loans for Students (SLS), or Parent Loan for Undergraduate Students (PLUS) loan has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis; (ii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended; (iii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a full-time student who has ceased to be enrolled on a full-time basis; or (iv) If it discovers that a student who is enrolled and who has received a Stafford or SLS loan has changed his or her permanent address.

##### *Cause:*

St. Mary's did not have proper controls in place to review and update enrollment status changes for students receiving student financial aid.

##### *Effect:*

The change in the student's enrollment is not properly reported in the NSLDS database, thus, repayment date, grace period, and deferment is not properly determined.

##### *Questioned Costs:*

None.

##### *Recommendation:*

We recommend that St. Mary's establish procedures to ensure that enrollment status changes are updated and accurately reported in a timely manner in the NSLDS database.



**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2013 - 013 (continued)**

***Auditee Response and Corrective Action Plan:***

The College agrees with this recommendation and has taken appropriate action to ensure that accurate data is reported to NSLDS in a timely manner. The College will adjust its procedures to include a supervisory review of data submitted to NSLDS to ensure that changes made to a student's enrollment status and dates are accurate.

***Auditor's Conclusion:***

Based on the above, the finding remains as stated.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 014

##### Saint Mary's College of Maryland (St. Mary's)

##### Student Financial Assistance Cluster

CFDA 84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
CFDA 84.032	Federal Family Education Loans (FFEL)
CFDA 84.033	Federal Work- Study Program (FWS)
CFDA 84.037	Perkins Loan Cancellations
CFDA 84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions
CFDA 84.063	Federal Pell Grant Program (Pell)
CFDA 84.268	Federal Direct Student Loans (Direct Loan)

##### U.S Department of Education (ED)

#### Compliance and Internal Control Deficiency over Special Tests and Provisions - Return of Title IV Funds

##### *Condition:*

During our testing of Return of Title IV funds, we reviewed the refund calculations for eleven students. One out of the eleven students' Title IV refunds was reported to the Department of Education late. St. Mary's did not report the refund within 45 days, which is required per Federal Guidelines. It took St. Mary's 54 days to process the Return of Title IV calculation.

##### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

##### Per 34 CFR Section 668.22:

In part, that an institution is required to have a fair and equitable refund policy. Per 34 CFR Section 668.22, 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 has unofficially withdrawn. The unearned portion of Title IV funds must be returned to the Department of Education within 45 calendar days of the date the student officially withdraws.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 014 (continued)

**Criteria:** *(continued)*

Per 34 CFR Section 668.22: (continued)

Any unearned funds must be returned to the Title IV program and no additional disbursements may be made to the student for the payment period. If the student ceases attendance without providing official notification to the institution of his or her withdrawal in accordance with paragraph (c ) (1) (i) or (c ) (1) (ii) of this section, the mid-point of the payment period (or period of enrollment), is applicable.

**Cause:**

St. Mary's did not have proper controls in place to review and update the student's status for returning the student financial aid to Department of Education.

**Effect:**

This resulted in the funds being delayed to return to the Department of Education.

**Questioned Costs:**

None.

**Recommendation:**

We recommend that St. Mary's update the formula of the Return of Title IV calculation in PeopleSoft. St. Mary's should also ensure that refunds are made for changes that result from the updating of the formula.

**Auditee Response and Corrective Action Plan:**

The College agrees with the recommendation to comply with the return of Title IV funds processes. The financial aid Office has increased its oversight of the Return of Title IV funds by instituting a process whereby reports of students who withdraw from classes will be delivered electronically from the Office of Academic Services to the Financial Aid and Business Offices. The Registrar's Office sends out emails to faculty asking them to list students who are not attending classes at the end of the drop/add each semester.

**Auditor's Conclusion:**

Based on the above, the finding remains as stated.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 015

##### Saint Mary's College of Maryland (St. Mary's)

##### Student Financial Assistance Cluster

CFDA 84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
CFDA 84.032	Federal Family Education Loans (FFEL)
CFDA 84.033	Federal Work- Study Program (FWS)
CFDA 84.037	Perkins Loan Cancellations
CFDA 84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions
CFDA 84.063	Federal Pell Grant Program (Pell)
CFDA 84.268	Federal Direct Student Loans (Direct Loan)

##### U.S Department of Education (ED)

#### Compliance and Internal Control Deficiency over Reporting

##### *Condition:*

During our testing of Disbursement to or on Behalf of Students, we reviewed the disbursement date and amount of Pell funds between the school system and Common Origination and Disbursement (COD) system for forty students. All forty students' disbursement date was incorrectly reported to COD system.

##### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

##### Per OMB A-133:

All schools receiving Pell grants submit Pell payment data to the Department through the Common Origination and Disbursement (COD) System. Schools submit Pell origination records and disbursement records to the COD. Origination records can be sent well in advance of any disbursements, as early as the school chooses to submit them for any student the school reasonably believes will be eligible for a payment. A school follows up with a disbursement record for that student no more than 30 days before a disbursement is to be paid (7 days in the case of a school using the just-in-time method). The disbursement record reports the actual disbursement date and the amount of the disbursement.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2013 - 015 (continued)

***Criteria:*** (continued)

Per OMB A-133: (continued)

ED processes origination and/or disbursement records and returns acknowledgments to the school. The acknowledgments identify the processing status of each record: Rejected, Accepted with Corrections, and Accepted. Institutions must report student payment data within 30 calendar days after the school makes a payment or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data. Schools may do this by reporting once every 30 calendar days, bi-weekly, weekly or may set up their own system to ensure that changes are reported in a timely manner.

***Cause:***

St. Mary's did not have proper controls in place to review and report the student's disbursement date per the school records to the COD System.

***Effect:***

ED processes the incorrect disbursement records from COD system since the disbursement date per COD system did not match to the disbursement date in the school student's account.

***Questioned Costs:***

None.

***Recommendation:***

We recommend that St. Mary's update the reporting and recording process of the disbursement. St. Mary's should also ensure that the disbursement date in the school system is consistent with COD system.

***Auditee Response and Corrective Action Plan:***

The College agrees with the auditor's finding and recommendation. We are taking appropriate action to enhance the processing of Pell Disbursement. The College is immediately putting in place a process whereby the Business and Financial Aid Offices will meet before and after Pell is disbursed to ensure that the disbursement date on the College's system matches the disbursement dates on the Common Origination and Disbursement (COD) system.

***Auditor's Conclusion:***

Based on the above, the finding remains as stated.

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#### **SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 - 001**

##### **Department of Health and Mental Hygiene (DHMH)**

##### **CFDA No. 93.767    Children's Health Insurance Program (CHIP)**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Internal Control and Compliance Deficiency over the Eligibility Determination Process**

##### ***Condition:***

The Local Health Departments (LHD) and the Local Departments of Social Services (LDSS) are responsible for determining eligibility under the Medicaid Cluster and the Maryland Children's Health Insurance Program (CHIP) on a uniform basis throughout the State for persons who are indigent or medically indigent according to regulations, guidelines and procedures established by DHMH and who apply for the expanded State Children's Insurance Program under Title XXI of the Social Security Act.

We selected a total of 60 CHIP claims to review files for eligibility determination. All claims were processed during the fiscal year ended June 30, 2012. Below are the exceptions:

##### **Prince George's County - LDSS**

During our testing, we noted two individuals for which the case files could not be located in order to determine if they met the eligibility criteria. Additionally, we noted one individual did not have a signed application in his or her case file.

##### **DHMH/MCHP Premium Unit**

During our testing, we noted one individual for which the participant's income was over the wage limit.

##### ***Criteria:***

OMB Circular A-133 states that "States are required to include in their State plans a description of the standards used to determine eligibility of targeted low-income children." Under the State plan, only targeted low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan) are furnished child health assistance under the State Child Health Insurance Plan.



## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 – 001 (continued)

##### *Criteria: (continued)*

The following are standards for eligibility determinations per OMB A-133 and Maryland's State Plan:

1. Children under age 19;
2. Countable income is at or below 200% of the Federal poverty level (FPL);
3. Pregnant women of any age whose countable income is at or below 250% FPL;
4. Current resident of the State of Maryland;
5. Applicants are required to provide a Social Security Number or apply for a Social Security Number;
6. A U.S. Citizen;
7. Qualified aliens, as defined at 8 USC 1641, who entered the U.S. on or after August 22, 1996, are not eligible for CHIP for a period of five years, beginning on the date the alien became a qualified alien, unless the alien is exempt from this five year bar under the terms of 8 USC 1613; and
8. Eligibility must be redetermined at least every 12 months.

##### *Cause:*

LDSS personnel did not obtain or maintain the necessary documentation to support the eligibility determination. The DHMH/Maryland Children's Health Program (MCHP) Premium Unit did not properly review the participant's income when determining eligibility.

##### *Effect:*

Since documentation was not maintained in accordance with program requirements and participant income was not properly reviewed, DHMH does not have adequate assurance that eligibility for CHIP is being properly determined.

##### *Questioned Costs:*

Unknown.

##### *Recommendation:*

We recommend the Local Departments of Social Services and the DHMH comply with established Federal and State regulations for determining eligibility by obtaining and maintaining the required documentation and by reviewing participant income.

##### *Auditee Response and Corrective Action Plan:*

DHMH agrees with the recommendation that the Local Departments of Social Services comply with established Federal and state regulations for determining eligibility by obtaining and maintaining the required documentation.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 – 001 (continued)

##### *Auditee Response and Corrective Action Plan: (continued)*

DHMH will work with the Department of Human Resources (DHR) and the Prince George's Local Department of Social Services on issues with record retention, obtaining and maintaining documentation, and transferring case records between local departments appropriately. A corrective action plan will be requested from the cited local department to be submitted within 30 days to address how they plan to track, monitor and secure case records that are transferred from the local health departments.

With regard to each of the missing case files and the unsigned application, we have investigated the specific recipients of those case files and have determined that based upon a review of the electronic case materials, each would in fact be Medicaid eligible.

The Department concurs with the finding for the MCHP Premium Unit as referenced above. The case was reviewed by the local health department and was subsequently closed by the MCHP Premium Unit in January 2012. Currently reports are being generated and manually reviewed monthly by the MCHP Premium Unit to ensure timely results of application processing and redetermination status.

##### *Auditee Update – October 2013:*

Each of the cases cited by the auditors has been researched and it has been determined that for each case, the necessary documentation to determine eligibility was available in an electronic format in the State's CARES (Client Automated Resources & Eligibility System) system. Thus, the cited cases are now resolved.

Both of the cited departments have developed and implemented corrective action plans to address the findings noted. The Prince George's County's corrective action plan includes a revision to their Standard Operating Procedures for using the Enterprise Content Management Solutions (ECMS) system to include a requirement to scan all documents received from the Local Health Department to alleviate missing documents. The MCHP Premium Unit's corrective action plan includes a manual review of auxiliary reports that is expected to ensure the accuracy and appropriateness of the applications and redeterminations processed.

In addition, in order to prevent a reoccurrence of these types of findings, several new systems such as the PIRAMID (Program Integrity Reporting and Management Information Database), which replaces monthly reviews of the small retroactive samples with a review mechanism applied to all eligibility determinations before they are finalized, and the Enterprise Content Management Solutions (ECMS) system, which helps to guard against record losses by converting all records into an electronic format to reduce reliance on paper records have been developed. Lastly, the Department continues to provide eligibility training with an emphasis on compliance to help prevent a recurrence of these types of findings.

##### *Auditor's Conclusion:*

Based on testing performed during 2013, the finding is resolved.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 - 002**

##### **Department of Health and Mental Hygiene (DHMH)**

###### **Medicaid Cluster**

**CFDA No. 93.775      State Medicaid Fraud Control Units**

**CFDA No. 93.777      State Survey and Certification of Health Care Providers and  
Suppliers (Title XVIII) Medicare**

**CFDA No. 93.778      Medical Assistance Program (Medicaid; Title XIX)**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Internal Control and Compliance Deficiency over Special Tests and Provisions – Automatic Data Processing (ADP) Risk Analysis and System Security Review**

##### ***Condition:***

DHMH is required to conduct periodic risk analysis of new and existing ADP systems on a biennial basis. The ADP risk analysis was last completed during fiscal year 2010. During the audit, we noted that the ADP risk analysis was not completed during fiscal year 2012, which is required in order to fall within the biennial requirement.

##### ***Criteria:***

OMB Circular A-133 states that “State agencies must establish and maintain a program for conducting periodic risk analyses to ensure that appropriate, cost effective safeguards are incorporated into new and existing systems. State agencies must perform risk analyses whenever significant system changes occur. State agencies shall review the ADP system security installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices. The State agency shall maintain reports on its biennial ADP system security reviews, together with pertinent supporting documentation, for HHS on-site reviews (45 CFR section 95.621).”

##### ***Cause:***

DHMH did not have proper monitoring controls in place to ensure adherence with the timing requirement set forth by the Federal agency.

##### ***Effect:***

DHMH did not complete the ADP risk analysis on a biennial basis.

##### ***Questioned Costs:***

None.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 002 (continued)

##### ***Recommendation:***

We recommend that DHMH strengthen its existing controls over monitoring the timeliness of the ADP risk analysis to ensure the Federal timing requirement is met.

##### ***Auditee Response and Corrective Action Plan:***

The Administration agrees with the recommendation. The Medical Care Program intended to include the required biennial Risk Assessment for 2012 as part of the overall DHMH Risk Assessment being performed concurrently. However, since the DHMH overall assessment has been delayed, the Medical Care Program has decided to proceed with its own Risk Assessment. The solicitation is currently in process with an anticipated completion date for the assessment of June 30, 2013.

##### ***Auditee Update – October 2013:***

A contract to perform the Risk Assessment was awarded in June 2013. The assessment review was performed, and completed in September 2013.

To ensure future Risk Assessments are completed timely, the Administration will contract directly for the performance of the required biennial risk assessments, rather than include the review as part of the overall DHMH Risk Assessment.

##### ***Auditor Conclusion:***

The risk assessment was not completed during state fiscal year 2013; therefore, this is a repeat finding. See finding 2013-002.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 – 003

##### Department of Human Resources (DHR)

CFDA No. 93.558      Temporary Assistance for Needy Families (TANF) State Programs  
CFDA No. 93.563      Child Support Enforcement

##### U.S. Department of Health and Human Services (HHS)

### Internal Control and Compliance Deficiency over Procurement and Suspension and Debarment

#### *Condition:*

We selected a sample size of 47 transactions for procurement and suspension and debarment testing. During our testing we were unable to determine if the agency performed a verification check for covered transactions by checking the Excluded Parties List System (EPLS). However, we checked the EPLS during our testing and did not note any of the contractors on the list.

#### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control-Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the government wide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the EPLS maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 – 003 (continued)

**Criteria:** *(continued)*

(2 CFR section 180.300). The information contained in the EPLS is available in printed and electronic formats. The printed version is published monthly. Copies may be obtained by purchasing a yearly subscription from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, or by calling the Government Printing Office Inquiry and Order Desk at (202) 783-3238. The electronic version can be accessed on the Internet (<http://epls.arnet.gov>).

**Cause:**

DHR did not obtain or maintain the necessary documentation to support that the agency verified that contractors are not suspended or debarred or otherwise excluded.

**Effect:**

Since documentation was not maintained in accordance with program requirements, DHR does not have adequate assurance that the procurement, suspension and debarment requirement is properly determined.

**Questioned Costs:**

Unknown.

**Recommendation:**

We recommend that DHR establish internal controls to ensure they maintain adequate documentation to support contractors are in compliance with established Federal regulations related to procurement and suspension and debarment requirements.

**Auditee Response and Corrective Action Plan:**

While the Department believes that in many cases the verification was performed, we agree with the audit finding that documentation was not always maintained to support actual agency EPLS verification. As an internal control, the Procurement File checklist has been updated to include a copy of the documentation obtained from the Federal/State Debarment website as part of the procurement officer's file.

**Auditee Update – January 2014:**

The Procurement File checklist was updated to include documentation to ensure that the procurement, suspension and debarment requirements are properly determined. To validate that the contractors are in compliance with the established regulation, the Department's personnel search both the Federal website, (1) the System for Awards Management (SAM) and (2) the State of Maryland's website under the Board of Public Works (BPW).

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 – 003 (continued)**

##### ***Auditee Update – January 2014: (continued)***

To document the process, the Department prints the search results screen from SAM and the list of vendors that are currently debarred or suspended from doing business in Maryland from the BPW website.

##### ***Auditor's Conclusion:***

Based on testing performed during 2013 for CFDA No. 93.558 - Temporary Assistance for Needy Families (TANF) State Programs, the finding for TANF is resolved. Procurement testing is no longer required to be tested for CFDA No. 93.563 - Child Support Enforcement, per the March 2013 compliance supplement; therefore, the finding for Child Support Enforcement is resolved.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 – 004**

##### **Department of Human Resources (DHR)**

##### **CFDA No. 93.558 Temporary Assistance for Needy Families (TANF) State Programs**

##### **U.S. Department of Health and Human Services (HHS)**

##### **Internal Control and Compliance Deficiency over Special Tests and Provisions - Income Eligibility and Verification System (IEVS)**

###### ***Condition:***

We selected a sample of 60 transactions at several locations for IEVS testing. During our testing, we noted 10 files were not properly maintained which prevented the audit of the IEVS requirement. In addition, for the 50 cases obtained, we noted that DHR did not request and obtain wage information from the State Wage Information Collection Agency (SWICA) at the first opportunity following receipt of the application and for all recipients on a quarterly basis. Our audit also revealed that the agency did not obtain unemployment compensation (UC) information for all applicants at the first opportunity and in each of the first three months in which the individual is receiving aid.

###### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control-Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Per OMB Circular A- 133, June 2012:

Each State shall participate in the Income Eligibility and Verification System (IEVS) required by section 1137 of the Social Security Act as amended. Under the State Plan, the State is required to coordinate data exchanges with other federally assisted benefit programs, request and use income and benefit information when making eligibility determinations, and adhere to standardized formats and procedures in exchanging information with other programs and agencies. Specifically, the State is required to request and obtain information as follows (42 USC 1320b-7; 45 CFR section 205.55):



## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 004 (continued)

##### *Criteria: (continued)*

- a. Wage information from the State Wage Information Collection Agency (SWICA) should be obtained for all applicants at the first opportunity following receipt of the application, and for all recipients on a quarterly basis.
- b. Unemployment Compensation (UC) information should be obtained for all applicants at the first opportunity, and in each of the first three months in which the individual is receiving aid. This information should also be obtained in each of the first three months following any recipient-reported loss of employment. If an individual is found to be receiving UC, the information should be requested until benefits are exhausted.

##### *Cause:*

DHR did not maintain files and other documentation to support their IEVS determination. In addition, DHR did not have proper controls and documentation in place to ensure adherence with the timing requirements set forth by the Federal agency IEVS cases.

##### *Effect:*

Since documentation was not maintained in accordance with program requirements, DHR does not have adequate support that the IEVS requirement for the TANF program is properly determined and it was not determined in accordance with the Federal requirements above.

##### *Questioned Costs:*

Unknown.

##### *Recommendation:*

We recommend DHR establish controls over IEVS cases to ensure Federal timing requirements are met. We also recommend that all records are properly safeguarded and maintained.

##### *Auditee Response and Corrective Action Plan:*

The Department does not agree that a Corrective Action Plan is appropriate. Maryland's IEVS-compliant database programming uses a client-specific alert system that includes monthly and quarterly matches. For example, the alerts flag cases when new employment data is entered on the State Wage Information Collection Agency (SWICA). Both the TANF and Supplemental Nutrition Assistance Program (SNAP) National Directory of New Hires conduct 4 quarterly wage matches, and W-4 matches against all active clients in Client Automated Resources and Eligibility System (CARES). Whenever there is a match, CARES automatically generates a congratulatory letter, employer statement, and child care verification form to the customer, with a request that they return verification to the agency within 10 days of receiving the notice. An alert is generated to the case manager at the same time to follow-up and record the final outcome of the match. We supply the Federal agencies with quarterly cost savings data that resulted from these matches.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 004 (continued)

##### *Auditee Response and Corrective Action Plan: (continued)*

Case managers supplement this process by a clearance process that involves checks of MABS (Maryland SWICA's system) matches at intake and at each redetermination, and of The Work Number for real time employment data.

Supporting data for our disagreement with this finding will be validation from DHR's IT division that the 60 cases were included in the extract files matched with quarterly wage and unemployment compensation data for each State Fiscal Year quarter the cases were active, as well as screen prints of supplemental checks completed by case managers.

##### *Auditee Update – January 2014:*

The Department of Human Resources (DHR) maintains that it complied with Income Eligibility and Verification Systems (IEVS) requirements in State Fiscal Year (FY).

The Family Investment Administration (FIA) retained the IEVS data matches for the months of 1) December, 2) January, 3) February, 4) April, 5) May and 6) June in State Fiscal 2012. Since most IEVS checks are required quarterly, FIA reviewed the auditor's sample cases in the second through fourth quarters of the noted Fiscal Year. The Administration also consulted case records for clarification of whether IEVS checks were completed. The result are as follows, of the 58 cases sampled (the auditors stated that 60 cases were selected for the sample, however, FIA only received 59 cases from the auditors and one of those was a duplicate case) only (1) one case missed one monthly IEVS check. This is an accuracy rate of 98%.

There are (5) five cases that FIA was unable to verify that a single month was checked because the IEVS data match files for the months of 1) October, 2) November and 3) March were not retained.

The 58 cases required a total of 182 quarterly or monthly checks in the second through fourth quarters. 177 of those checks could be verified, for a 97% compliance rate. Based on the aforementioned procedures performed the department is materially in compliance with IEVS requirements.

##### *Auditor's Conclusion:*

Based on testing performed during 2013, the finding is resolved.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 005

##### Department of Human Resources (DHR)

##### CFDA No. 93.563 Child Support Enforcement

##### U.S. Department of Health and Human Services (HHS)

#### Internal Control and Compliance Deficiency over Subrecipient Monitoring

##### *Condition:*

During the testing of sub-recipient monitoring, we selected a sample size of nine transactions. We noted two sub-recipient monitoring reports did not have supervisory approval. In addition, the A-133 audit reports were not obtained and reviewed for the nine sub-recipients selected.

##### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control-Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Per OMB Circular A-133 and 31 USC 7502(f)(2)(B):

A pass-through entity is responsible for:

*Award Identification* – At the time of the award, identifying 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.

*During-the-Award Monitoring* – Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

*Subrecipient Audits* – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 (the circular is available on the Internet at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>)

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 005 (continued)

**Criteria:** *(continued)*

and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the sub-recipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

**Cause:**

The child support program staff did not have controls in place to sufficiently maintain proper documentation to verify sub-recipient monitoring was completed in accordance with their policy.

**Effect:**

DHR is not in compliance with the subrecipient monitoring requirements of OMB Circular A-133.

**Questioned Costs:**

Unknown.

**Recommendation:**

We recommend that the child support program implement procedures that ensure that all programs are properly monitored each year and the documentation noting the monitoring was performed and maintained.

**Auditee Response and Corrective Action Plan:**

As of March 11, 2013, the Child Support Enforcement Administration (CSEA) has mailed a management decision letter to all sub-recipients of cooperative reimbursement agreements requesting the A-133 audit reports. Moving forward, CSEA will request these audit reports on an annual basis and will incorporate language into our contracts with the sub-recipients requiring them to provide their annual audit report within thirty (30) days of its completion. For the quarter ending March 2013, CSEA will also implement a quality review procedure to verify that sub-recipient monitoring reports have been approved by a supervisor.

**Auditee Update – January 2014:**

As a result of the March 13, 2013 management decision letter issued by CSEA, all thirty-three (33) sub-recipients forwarded a current A-133 audit report or audited financial statements. Moreover, for the fiscal year ending 2014, CSEA incorporated language into the cooperative reimbursement agreement addressing the A-133 audit report or audit financial statements. As of April 1, 2013, CSEA implemented a quality review procedure that verifies the review and sign off of sub-recipient of reports by the appropriate administrator.

**Auditor's Conclusion:**

Based on testing performed during 2013, the finding is resolved.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 - 006**

##### **Department of Human Resources (DHR)**

##### **CFDA No. 93.659      Adoption Assistance – Title IV-E**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Compliance Deficiency over Eligibility**

##### ***Condition:***

We selected a sample size of 60 transactions for eligibility testing. During our testing we noted that one file was missing the criminal records check, including a fingerprint-based check for the prospective parent was missing. In addition, we noted that three cases where an adult living in the household did not satisfactorily meet the child abuse and neglect registry check.

##### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control-Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

##### **Per OMB Circular A-133, June 2012:**

The prospective adoptive parent(s) must satisfactorily have met a criminal records check, including a fingerprint-based check (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). The requirement for a fingerprint-based check took effect on October 1, 2006, unless prior to September 30, 2005 the State has elected to opt out of the criminal records check requirement or State legislation was required to implement the fingerprint-based check, in which case a delayed implementation is permitted until the first quarter of the State's regular legislative session following the close of the first regular session beginning after October 1, 2006. The requirement applies to adoption assistance payments for calendar quarters beginning on or after the State's effective date for implementation (Pub. L. No. 109-248, section 152(c)(1) and (3)). States that opted out of the criminal records check requirement at section 471(a)(20) of the Social Security Act prior to September 30, 2005 had until October 1, 2008 to implement the fingerprint-based check requirement. Effective October 1, 2008, a State is no longer permitted to opt out of the fingerprint-based check requirement.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 006 (continued)

##### *Criteria: (continued)*

The opt out provision does not impact tribes since they only became eligible to administer a title IV-E plan effective on October 1, 2009 (42 USC 671(a)(20)(B); Pub. L. No. 109-248, section 152(c)(2) and 45 CFR sections 1356.30(b) and (c)).

The prospective adoptive parent(s) and any other adult living in the home who has resided in the provider home in the preceding 5 years must satisfactorily have met a child abuse and neglect registry check. This requirement takes effect on October 1, 2006 unless the State requires legislation to implement the requirement, in which case a delayed implementation is permitted until the first quarter of the State's regular legislative session following the close of the first regular session beginning after October 1, 2006. The requirement applies to foster care maintenance payments for calendar quarters beginning on or after that date. (42 USC 671(a)(20)(C); Pub. L. No. 109-248, sections 152(c)(2) and (3)).

##### *Cause:*

DHR did not follow its established procedures to ensure that applicants satisfactorily meet all eligibility provisions. In addition, the agency did not obtain or maintain the necessary documentation to support the eligibility determinations.

##### *Effect:*

DHR was not in compliance with the Federal regulations related to eligibility.

##### *Questioned Costs:*

Unknown.

##### *Recommendation:*

We recommend that DHR comply with established Federal and State regulations for determining eligibility to include obtaining and maintaining the required documentation and performing verifications to support eligibility decisions.

##### *Auditee Response and Corrective Action Plan:*

DHR does not agree with the findings.

The finding states that out of 60 transactions selected for eligibility testing, two files were missing the criminal records check, including a fingerprint-based check for the prospective parent. In addition, three cases where the adult living in the household did not satisfactorily meet the child abuse and neglect registry check (CPS). All but one of the noted cases were former child placement agency (CPA) homes that adopted children who were placed in their home as foster children.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 006 (continued)

##### *Auditee Response and Corrective Action Plan: (continued)*

In order to receive a subsidy, the families must be entered into the data system as an adoptive home. Per Maryland regulations, the home study completed by private CPAs can be utilized for adoption as well as foster care. Therefore, the local department is not required to complete a separate home study at the point of adoption (Memorandum Re: Home Studies for Adoption, dated 12/17/2007), but are directed to utilize the home study completed by the private agency, who certifies to the local department that the home has met all requirements. For our public homes, the requirements for foster and adoption are the same. We do not require a new home study at the point of adoption.

The three cases, that indicated the adult living in the household did not satisfactorily meet the child abuse and neglect registry check, have been reviewed and verified that none of the listed adults have a Child Protective Service history. Maryland Children's Electronic Social Services Information Exchange (MD CHESSIE) records further demonstrate documented CPS clearances completed. One of the cases where lack of a criminal records check is cited also involves a former CPA home that became a local department home for the purpose of adoption subsidy. The CPA record has been archived since 1995 because the home was no longer an active CPA provider. Attempts are currently being made to secure the original documentation from their archives. MD CHESSIE, the official case record, shows that the criminal background check was completed on the second case cited for lack of criminal records check. Attempts are currently being made to secure the original documentation.

It should be noted that as of 2009, DHR Office of Licensing and Monitoring (OLM) expanded procedures regarding monitoring reviews of CPA. This review has been expanded to include not only the CPA but also includes a random 10% per quarter of each CPA's homes. During this review of the CPA homes the Foster Parent Record Review is completed, which specifically includes a review of the documentation of the criminal background and CPS clearances.

##### *Auditee Update – January 2014:*

All but one of the noted cases was private treatment foster homes that adopted children who were placed in their home as foster children. In order to receive a subsidy, the families must be entered into our system as an adoptive home. Per Maryland regulations, the home study completed by private Child Protective Services (CPAs) can be utilized for adoption as well as foster care. Therefore, there is no need for the local department to complete a separate home study at the point of adoption.

A memo dated 12-17-07 instructed DHR staff at the Local Department to have families sign a release form that would require the privately licensed provider to share the results of their study along with any other information that was obtained during the monitoring with the Local Department.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 006 (continued)

##### *Auditee Update – January 2014: (continued)*

Upon receiving the report, the staff was required to review the information and if it was approved subsequent to January 12, 2001, and it was satisfactory, then the local department should not order an adoption home study on the family.

We utilize the home study completed by the private agency, who certifies to the local department that the home has met all requirements. For our public homes, the requirements for foster and adoption are the same. We do not require a new home study at the point of adoption. This practice is acceptable according to federal standards of acceptable documentation as detailed in the Title IV-E Foster Care Eligibility Guide, page 51:

*“The preferred documentation for compliance with the safety requirement is the actual results of the various background checks. However, other acceptable documentation may include, but is not limited to, official material such as a letter or report signed by appropriate title IV-E agency staff or licensing staff that details the results of the background checks or electronic data maintained in the title IV-E agency’s automated information system that records the results of the evidence examined to determine compliance with the governing safety requirements.”*

There are three cases where the CPS check is in question. For privacy and security purposes, we will identify these cases as Case A, Case B, and Case C. Please find below documentation from MD CHESSIE, our official case record, which demonstrates that none of the listed adults have a CPS history. Case B and Case C records further demonstrate documented CPS clearances completed.

There are two cases where criminal records check is in question. For privacy and security purposes, we will identify these two cases as Case D and Case E. Case D was approved by Mentor in 1995; as a result the record had been archived. Case E was a public foster home with documentation that the criminal clearance was completed in MD CHESSIE.



# STATE OF MARYLAND

## Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

### Finding 2012 - 006 (continued)

#### *Auditee Update – January 2014: (continued)*

The following table summarizes and discloses the supporting documentation for each of the 5 cases identified by the auditor:

	Provider	Issue	Documentation Source
1	Case A	CPS Clearance	MD CHESSIE CPS clearance
2	Case B	CPS Clearance	MD CHESSIE CPS clearance
3	Case C	CPS Clearance	MD CHESSIE CPS clearance
4	Case D	Criminal Background	Criminal records check
5	Case E	Criminal Background	Electronic confirmation of criminal background check (MD CHESSIE documentation)

#### ***Auditor's Conclusion:***

Based on testing performed during 2013, the finding is resolved.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2012 - 007**

**Department of Transportation (MDOT)**

**CFDA No. Unknown      Passenger Facility Charges (PFC)**

**U.S. Department of Transportation (DOT)**

**Internal Control and Compliance Deficiency over Reporting**

***Condition:***

Interest and dividends earned on the bond fund accounts, debt service reserve accounts, and the construction fund account, were not included in interest and dividends amount reported on the quarterly financial reports for 2012. There was a cumulative total of \$1,347,640, earned on these accounts since their inception in February 2004.

***Criteria:***

Section 158.63 from Title 14 of the Code of Federal Regulations requires quarterly reports to include "actual PFC revenue received from collection carriers, interest earned, and project expenditures for the quarter." Furthermore, debt service costs necessary "to carry out approved projects" are considered allowable costs by Section 158.13.

***Cause:***

These accounts are reserved for the retirement of debt, thus, the department believed that earnings from these accounts were exempt from reporting, because they were not available for spending on PFC projects.

***Effect:***

Interest was under-reported and quarterly reports did not fully comply with the reporting standards of Section 158.63.

***Questioned Costs:***

None.

***Recommendation:***

We recommend report preparation procedures be revised to include all PFC accounts and the accumulated dividends and interest earned on the PFC accounts be included in the quarterly reports.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 007 (continued)

##### *Auditee Response and Corrective Action Plan:*

On October 1, 2012, the Maryland Aviation Administration (MAA) wrote to Federal Aviation Administration (FAA) asking for guidance on reporting interest in the FAA's System Of Airport Reports (SOAR) database. On November 1, 2012, FAA responded in writing to MAA, however FAA's response was not definitive. Conference calls among MAA and FAA followed. On January 25, 2013, MAA wrote to FAA and presented detailed plans to report future interest in SOAR, and adjust previous years reported interest in SOAR. On February 26, 2013 MAA sent a follow-up e-mail to FAA, as FAA had not responded to MAA's January 25, 2013 letter.

MAA will adjust previous years reported interest as required, and MAA will report all future interest as required.

##### *Auditee Update – January 2014:*

The corrective action has been implemented in the first quarter of calendar year 2012 as it was reflected in MAA's response.

MAA received the direction from FAA in March 2013, correcting adjustments were made to each month's data starting with January 2011; FAA has "locked" SOAR for December 2010 and earlier. MAA also created a template in Excel to prevent errors in the future. The final corrective actions were completed by November 2013.

MAA provided its response to the auditor during its audit as well when it was requested in December 2013.

##### *Auditor's Conclusion:*

Based on testing performed during 2013, the finding is resolved.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2012 - 008**

**Department of Transportation (MDOT)**

**CFDA No. Unknown      Passenger Facility Charges (PFC)**

**U.S. Department of Transportation (DOT)**

**Internal Control and Compliance Deficiency over Reporting**

***Condition:***

A program income credit of \$15,314 listed in the PFC ledger was omitted from the total expenditure distributions reported for PFC application 7 in the quarterly reports filed by the department. The credit was dated March 12, 2012, and should have been netted against the expenditure or reported separately as program income in the third quarter report filed with the Federal Aviation Administration (FAA) for FY 2012.

***Criteria:***

Section 158.63 from Title 14 of the Code of Federal Regulations requires quarterly reports to include “actual PFC revenue received from collection carriers, interest earned, and project expenditures for the quarter.”

***Cause:***

Amounts recorded in the ledger were not properly reported in the quarterly report.

***Effect:***

Expenditure distributions for the third quarter of FY 2012 for PFC application 7 were overstated by \$15,314.

***Questioned Costs:***

None.

***Recommendation:***

We recommend all program income be properly reported in the quarterly reports to the FAA.

***Auditee Response and Corrective Action Plan:***

The FAA's on-line SOAR database has been updated for 1Q CY 2012 by reducing reported expenditures \$15,314.00. SOAR expenditure data is reported on a quarterly CY basis. SOAR, on its own, updated all quarterly reports after an adjustment of \$15,314.00 was made to 1Q CY 2012. The specific project updated was PFC-07-001, the Terminal Improvement Project. MAA will report all future income as required.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2012 - 008** (continued)

***Auditee Update – January 2014:***

The corrective action has been implemented in the first quarter of calendar year 2012 as it was reflected in MAA's response.

This was a onetime entry error. The program interest is always reported separately, and never has been netted against expenditures.

***Auditor's Conclusion:***

Based on testing performed during 2013, the finding is resolved.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 - 009**

##### **University System of Maryland – University of Baltimore**

###### **Student Financial Assistance Cluster**

<b>CFDA No. 84.007</b>	<b>Federal Supplemental Educational Opportunity Grants (FSEOG)</b>
<b>CFDA No. 84.032</b>	<b>Federal Family Education Loans (FFEL)</b>
<b>CFDA No. 84.033</b>	<b>Federal Work- Study Program (FWS)</b>
<b>CFDA No. 84.037</b>	<b>Perkins Loan Cancellations</b>
<b>CFDA No. 84.038</b>	<b>Federal Perkins Loan (FPL) – Federal Capital Contributions</b>
<b>CFDA No. 84.063</b>	<b>Federal Pell Grant Program (Pell)</b>
<b>CFDA No. 84.268</b>	<b>Federal Direct Student Loans (Direct Loan)</b>

##### **U.S. Department of Education (ED)**

#### **Internal Control and Compliance Deficiency over Special Tests and Provisions - Student Loan Repayments**

##### ***Condition:***

During testing of student loan repayments, we reviewed the loan records for 40 students. For three of the students selected, an exit interview was not conducted with the borrowers before he or she left the institution.

##### ***Criteria:***

Per 34 CFR Section 674.42:

In part, that an institution is required to conduct an exit interview with the borrower before he or she leaves the institution. Per 34 CFR Section 674.42, an institution must ensure that exit counseling is conducted with each borrower either in person, by audiovisual presentation, or by interactive electronic means. The institution must ensure that exit counseling is conducted shortly before the borrower ceases at least half-time study at the institution. As an alternative, in the case of a student enrolled in a correspondence program or a study-abroad program that the institution approves for credit, the borrower may be provided with written counseling material by mail within 30 days after the borrower completes the program. If a borrower withdraws from the institution without the institution's prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either interactive electronic means or by mailing counseling materials to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from the institution or failed to complete exit counseling as required.

##### ***Cause:***

The University considers a grade of "W" to be a valid grade and student still enrolled. Since the students earned grades of "W" and were not considered withdrawn, therefore; the students were not subject to an exit interview.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 009 (continued)

***Effect:***

The University is not in compliance with the student loan repayments requirements of OMB Circular A - 133.

***Questioned Costs:***

None.

***Recommendation:***

We recommend that the University establish procedures to ensure that enrollment status changes are updated accurately and treat a grade of W as not enrolled in order to meet the Federal regulation.

***Auditee Response and Corrective Action Plan:***

The University of Baltimore accepts the finding related to Perkins Loan exit interviews. The auditor's interpretation of Federal regulation is that the grade of "W" cannot be considered for enrollment. The University of Baltimore does not challenge this interpretation and will adjust our policies and procedures accordingly to resolve the finding, including conducting Perkins Loan exit interviews as required.

***Auditee Update – October 2013:***

The University of Baltimore is working to upgrade our service contract with Campus Partners, our Perkins Loan Servicer. Once these services are initiated, the National Student Loan Clearinghouse will automatically send enrollment reports to Campus Partners who will direct students to the online exit interview process. Campus Partners will also provide the University with detailed reports, regarding the exit interview status of applicable students. The contract and automated procedures will be fully implemented by January 2014. The Office of Financial Aid will conduct regular audits to ensure enrollment reporting is accurate and, in collaboration with the Office of the Bursar, ensure all students are notified of their repayment rights and responsibilities in a timely manner. Due to upcoming leadership changes in the Office of Financial Aid, we anticipate random audits to begin in January 2014.

***Auditor's Conclusion:***

Based on follow-up testing performed during 2013, the finding is a repeat finding.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 010

##### University System of Maryland – University of Baltimore

###### Student Financial Assistance Cluster

CFDA No. 84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
CFDA No. 84.032	Federal Family Education Loans (FFEL)
CFDA No. 84.033	Federal Work- Study Program (FWS)
CFDA No. 84.037	Perkins Loan Cancellations
CFDA No. 84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions
CFDA No. 84.063	Federal Pell Grant Program (Pell)
CFDA No. 84.268	Federal Direct Student Loans (Direct Loan)

##### U.S. Department of Education (ED)

#### Internal Control and Compliance Deficiency over Special Tests and Provisions - Student Enrollment Reporting

##### *Condition:*

During our testing of student enrollment reporting, we reviewed the enrollment status of 40 students. We noted twenty-three of the students selected were incorrectly classified and reported in the National Student Loan Data System (NSLDS) database. Twenty-three of the students withdrew from classes, but nineteen were incorrectly reported as attending half-time and four were incorrectly reported as attending full-time.

##### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Under the FFEL and Direct Loan programs, schools must complete and return within 30 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) mailboxes sent by ED via National Student Loan Data System (NSLDS) (OMB No. 1845-0035). The institution determines how often it receives the Enrollment Reporting roster file with the default set at every two months, but the minimum is twice a year.



## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 010 (continued)

##### *Criteria: (continued)*

Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Unless the school expects to complete its next roster within 60 days, the school must notify the lender or the guaranty agency within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309).

Per 34 CFR § 682.610(a)(6)(c):

A school shall—(1) Upon receipt of a student status confirmation report form from the Secretary or a similar student status confirmation report form from any guaranty agency, complete and return that report within 30 days of receipt to the Secretary or the guaranty agency, as appropriate; and (2) Unless it expects to submit its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days — (i) If it discovers that a Stafford, Supplemental Loan for Students (SLS), or Parent Loan for Undergraduate Students (PLUS) loan has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis; (ii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended; (iii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a full-time student who has ceased to be enrolled on a full-time basis; or (iv) If it discovers that a student who is enrolled and who has received a Stafford or SLS loan has changed his or her permanent address.

##### *Cause:*

The University considers a grade of “W” to be a valid grade and student still enrolled. Therefore a grade of “W” was not reported to NSLDS.

##### *Effect:*

The change in the student’s enrollment to less than half time is not properly reported in the NSLDS database, thus, repayment date, grace period, and deferment are not properly determined.

##### *Questioned Costs:*

Unknown.

##### *Recommendation:*

We recommend that the University establish procedures to ensure that enrollment status changes are updated and accurately reported in a timely manner in the NSLDS database.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 010 (continued)

##### ***Auditee Response and Corrective Action Plan:***

The University of Baltimore accepts the finding related to student enrollment reporting. The auditor's interpretation of federal regulation is that the grade of "W" cannot be considered for enrollment. The University of Baltimore does not challenge this interpretation and will adjust our policies and procedures accordingly to resolve the finding, including reporting student enrollment status as required.

##### ***Auditee Update – October 2013:***

The University of Baltimore has adjusted our policies and procedures to properly reflect withdrawals as a change of enrollment. The result is all withdrawals which result in a student enrollment of less than half time are now reported to the National Student Loan Clearinghouse database, on a monthly basis, to properly determine repayment dates, grace periods and deferments.

##### ***Auditor's Conclusion:***

Based on follow-up testing performed during 2013, the finding is resolved.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 011

##### University System of Maryland - Coppin State University

###### Student Financial Assistance Cluster

CFDA No. 84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
CFDA No. 84.032	Federal Family Education Loans (FFEL)
CFDA No. 84.033	Federal Work- Study Program (FWS)
CFDA No. 84.037	Perkins Loan Cancellations
CFDA No. 84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions
CFDA No. 84.063	Federal Pell Grant Program (Pell)
CFDA No. 84.268	Federal Direct Student Loans (Direct Loan)

##### U.S. Department of Education (ED)

#### Internal Control and Compliance Deficiency over Special Tests and Provisions - Student Enrollment Reporting

##### **Condition:**

During our testing of student enrollment reporting, we reviewed the enrollment status of forty students. We noted forty of the students selected were incorrectly classified and reported in the National Student Loan Database System (NSLDS) database. Forty of the students withdrew from classes and thus took zero credits, but fifteen were incorrectly reported as attending half-time, twenty-three were incorrectly reported as attending full-time, and two were incorrectly reported as less than half-time.

##### **Criteria:**

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Per OMB A-133:

Under the FFEL and Direct Loan programs, schools must complete and return within 30 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) mailboxes sent by ED via the NSLDS (OMB No. 1845-0035). The institution determines how often it receives the Enrollment Reporting roster file with the default set at every two months, but the minimum is twice a year.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 011 (continued)

##### *Criteria: (continued)*

Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Unless the school expects to complete its next roster within 60 days, the school must notify the lender or the guaranty agency within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309).

Per 34 CFR § 682.610(a)(6)(c):

A school shall—(1) Upon receipt of a student status confirmation report form from the Secretary or a similar student status confirmation report form from any guaranty agency, complete and return that report within 30 days of receipt to the Secretary or the guaranty agency, as appropriate; and (2) Unless it expects to submit its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days — (i) If it discovers that a Stafford, Supplemental Loan for Students (SLS), or Parent Loan for Undergraduate Students (PLUS) loan has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis; (ii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended; (iii) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a full-time student who has ceased to be enrolled on a full-time basis; or (iv) If it discovers that a student who is enrolled and who has received a Stafford or SLS loan has changed his or her permanent address.

##### *Cause:*

The university did not have proper controls in place to review and update enrollment status changes for students receiving student financial aid. The University considers a grade of “W” to be a valid grade and student still enrolled. Therefore a grade of “W” was not reported to NSLDS.

##### *Effect:*

The change in the student’s enrollment to less than half time is not properly reported in the NSLDS database, thus, repayment date, grace period, and deferment are not properly determined.

##### *Questioned Costs:*

Unknown.

##### *Recommendation:*

We recommend that the University establish procedures to ensure that enrollment status changes are updated and accurately reported in a timely manner in the NSLDS database.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 - 011 (continued)**

##### ***Auditee Response and Corrective Action Plan:***

The University's initial transmissions and subsequent transmissions of students' enrollment are reported to the National Student Clearinghouse in a timely manner each semester. In accordance with the University's policies and procedures on students' enrollment and withdrawal, the information reported to the Clearinghouse was correct.

We acknowledge that we have not reported to the Clearinghouse the adjustments in the number of credits when students withdraw from courses. Staff members in Records and Registration, Financial Aid and Information Technology have met to determine how to correct this problem and we have a solution to the reporting problem. The next transmission to the Clearinghouse will reflect students' withdrawals.

##### ***Auditee Update – October 2013:***

The University's Information Technology Department and the Office of Records and Registration has developed a system solution to appropriately report to the Federal Clearinghouse a student's full-time, part-time and withdrawal status. This process was implemented for the final reporting period covering the Spring 2013 semester.

##### ***Auditor's Conclusion:***

Based on follow-up testing performed during 2013, the finding is a repeat finding.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 - 012**

##### **University System of Maryland - Coppin State University**

###### **Student Financial Assistance Cluster**

<b>CFDA No. 84.007</b>	<b>Federal Supplemental Educational Opportunity Grants (FSEOG)</b>
<b>CFDA No. 84.032</b>	<b>Federal Family Education Loans (FFEL)</b>
<b>CFDA No. 84.033</b>	<b>Federal Work- Study Program (FWS)</b>
<b>CFDA No. 84.037</b>	<b>Perkins Loan Cancellations</b>
<b>CFDA No. 84.038</b>	<b>Federal Perkins Loan (FPL) – Federal Capital Contributions</b>
<b>CFDA No. 84.063</b>	<b>Federal Pell Grant Program (Pell)</b>
<b>CFDA No. 84.268</b>	<b>Federal Direct Student Loans (Direct Loan)</b>

##### **U.S. Department of Education (ED)**

#### **Internal Control and Compliance Deficiency over Special Tests and Provisions - Return of Title IV Funds**

##### ***Condition:***

During our testing of Return of Title IV funds, we reviewed the refund calculations for 40 students. For fourteen of the students selected, there was no Title IV refund as the University was unaware that the student dropped or withdrew from class.

##### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Per 34 CFR Section 668.22:

In part, that an institution is required to have a fair and equitable refund policy. Per 34 CFR Section 668.22, 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 has unofficially withdrawn. The unearned portion of Title IV funds must be returned to the Department of Education within 30 calendar days of the date the student officially withdraws.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 012 (continued)

**Criteria:** *(continued)*

Any unearned funds must be returned to the Title IV program and no additional disbursements may be made to the student for the payment period. If the student ceases attendance without providing official notification to the institution of his or her withdrawal in accordance with paragraph (c ) (1) (i) or (c ) (1) (ii) of this section, the mid-point of the payment period (or period of enrollment), is applicable.

**Cause:**

The University did not calculate the return of funds in accordance with the Federal guidelines.

**Effect:**

This resulted in the incorrect amount being returned to ED.

**Questioned Costs:**

\$19,585, related to our 14 exceptions.

**Recommendation:**

We recommend that the University strengthen its internal controls over the calculation of Title IV funds. These controls should consist of proper documentation, supervision, and calculation of the returns within the required time frames. The review should also ensure the refunds are made in the proper order of return of Title IV funds.

**Auditee Response and Corrective Action Plan:**

The University was awarding students based on enrollment status at the minimum enrollment or census date, using guidelines of SAP (Satisfactory Academic Progress) (see: HEA Sec. 484(c), 34 CFR 668.16(e), 34 CFR 668.32(f) and 34 CFR 668.34 (a)(s). As a result, Title IV returns were substantially reduced. However, the University does agree with finding and did not capture and properly calculate all students who had complete withdrawal before the 60% timeframe. As a process of correction, the University will review the “Questioned Cost” amount of \$19K and the students identified and return the funding if substantiated. We will also review any other students who may fit the criteria as identified in the finding and make the required adjustments.

Going forward, the University with cooperation of Financial Aid and Information Technology will implement Title IV (R2T4) Refunding to PeopleSoft (financial software) programming to document and correctly calculate required funding returns for those students who perform a complete withdrawal from the university after minimum enrollment, but before the 60% timeframe. This will be done in conjunction with the solution for enrollment reporting in Records & Registration.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 012 (continued)

##### *Auditee Update – October 2013:*

The University has taken the following corrective action on the finding of Compliance and Internal Control Deficiency Over Special Tests and Provisions - Return of Title IV Funds:

- We have reviewed the students identified in association with the Questioned Costs of \$19,000 and determined \$13,000 should be returned. These funds were returned to the appropriate funding program via Common Origination and Disbursement (COD) and the Federal G-5 grants management system in September 2013.
- The University's written Federal Return of Title IV Refund policy and Tuition refund policy has been revised, approved and reviewed with personnel responsible for implementing.
- Communication to U.S. Department of Education sent September 2013 included the information stated above and the University is awaiting receipt of its Final Audit Determination Letter.
- The University's Financial Aid and Information Technology departments are currently collaborating to develop a system solution to pull appropriate data and perform the necessary calculation of Return to Title IV funds.
- The University's Financial Aid Office has begun to implement a manual process to perform procedures that include documenting, supervisory review and proper calculations of Title IV fund returns within the required timeframes until the system solution is completed.

##### *Auditor's Conclusion:*

As these corrective actions were not fully implemented in fiscal year 2013, the finding is a repeat finding.



## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 - 013**

##### **Department of Information Technology (DOIT)**

##### **CFDA No. 11.557    Broadband Technology Opportunities Program (BTOP) - ARRA**

##### **U.S. Department of Commerce (DOC)**

#### **Internal Control and Compliance Deficiency over Subrecipient Monitoring**

##### ***Condition:***

During our testing of sub-recipient monitoring, we noted one out of three DOIT sub-]recipients' audit reports had an audit finding related to the BTOP program. We were not able to obtain documentation showing that BTOP issued a management decision within six months of receipt of the sub-recipient's audit report.

##### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Per OMB A-133:

A pass-through entity is responsible for:

(1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 (the circular is available on the Internet at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>) and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### **Finding 2012 - 013** (continued)

***Cause:***

BTOP program staff did not have controls in place to sufficiently maintain proper documentation to verify that a management decision on audit findings was issued within six months after receipt of the sub-recipient's audit report.

***Effect:***

DOIT is not in compliance with the sub-recipient monitoring requirements of OMB Circular A-133.

***Questioned Costs:***

Unknown.

***Recommendation:***

We recommend that the BTOP program implement procedures to ensure that all sub-recipients' audit findings are properly documented and maintained on file and a management decision is issued in a timely manner.

***Auditee Response and Corrective Action Plan:***

The Department concurs with the recommendation.

One of the three subrecipients is a collaborative inter-governmental consortium comprised of 9 local government jurisdictions. The Department had established procedures to review the local jurisdictions' related Single Audit reports and to use any findings related to the BTOP program to make corrections and adjustments to the Department's monitoring procedures. However, because the subrecipient was the inter-governmental consortium and not the individual local government jurisdictions, the Department did not realize that a formal management decision letter was required, as in accordance with the subrecipient monitoring requirements of OMB Circular A-133.

The Department has taken immediate action and, in March 2013, will be issuing a management decision letter to the appropriate local jurisdiction identified in the audit finding. Going forward, the Department has modified its monitoring procedures to ensure that all subrecipients' audit findings are properly documented and maintained on file and a management decision is issued in a timely manner.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 013 (continued)

##### *Auditee Update – October 2013:*

While the Department was working on drafting the management decision related to the local jurisdiction's FY2011 Single Audit in March 2013, it became aware that the FY2012 Single Audit was being published (March 2013). Upon receipt and review of the local jurisdiction's FY2012 Single Audit, it was noted that the two findings from the FY2011 Single Audit, which related to the BTOP program, had been cleared. Thus, a management decision related to the FY2011 audit findings was no longer necessary.

Review of the FY2012 Single Audit disclosed one finding that applied to all Federal programs, including the BTOP program and the funds received by the local jurisdiction via the subrecipient agreement with the Department. This grant ended in August 2013, after receiving clarification and guidance, the Department has issued a management decision to the jurisdiction as of October 22, 2013.

The Department will continue to monitor all sub-recipients' Single Audits, for all future audit periods during which the grant was open. The Department will ensure that any new subrecipient audit findings are properly documented and maintained on file and a management decision is issued in a timely manner.

##### *Auditor's Conclusion:*

Based on testing performed during 2013, the finding is resolved.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 - 014**

##### **Department of Information Technology (DOIT)**

##### **CFDA No. 11.557    Broadband Technology Opportunities Program (BTOP) - ARRA**

##### **U.S. Department of Commerce (DOC)**

##### **Internal Control and Compliance Deficiency over Davis Bacon Act**

###### ***Condition:***

During our testing, we selected a sample size of twenty-three transactions. We noted the hourly rate for three of the transactions selected was lower than the prevailing wage for work classification per the Department of Labor.

###### ***Criteria:***

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control – Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Per OMB A-133:

When required by the Davis-Bacon Act, the Department of Labor's (DOL) government-wide implementation of the Davis-Bacon Act, ARRA, or by Federal program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the DOL (40 USC 3141-3144, 3146, and 3147 (formerly 40 USC 276a to 276a-7)).

Non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and 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).

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### **Finding 2012 - 014** (continued)

***Cause:***

The BTOP program had not completed their follow up process with the contractors to have them adjust the rate to be in accordance with Federal policy.

***Effect:***

Some contractor's employees may have been paid lower than the Department of Labor's prevailing wage.

***Questioned Costs:***

Undeterminable.

***Recommendation:***

We recommend that the BTOP program ensure the existing procedures in place are adequate and timely enough to ensure that contractors are paying their employees in compliance with the Federal hourly rate requirement per Department of Labor.

***Auditee Response and Corrective Action Plan:***

The Department concurs with the recommendation.

The Department has established detailed procedures within the BTOP program to ensure that contractors are in compliance with the Davis-Bacon Act. The Department has a designated Davis-Bacon compliance officer. Contractors submit all required forms for review. A review is conducted on 100% of all required forms submitted by the contractors. When issues are identified, the forms are returned to the contractor for a corrected payroll form. When necessary, each contractor is required to provide documentation as assurance that payment was adjusted.

In the beginning, several issues with contractors not properly completing the forms were identified. For example, contractors were not listing the appropriate county. Also, contractors were not properly checking the fringe or no fringe box. These errors slowed down the review process. Given the errors noted, it was identified that additional training and guidance was necessary.

Thus, the Department's procedures have continued to be modified and strengthened, as needed. The majority of enhancements to procedures have been to ensure that appropriate guidance and training is being provided. Some steps that have been taken to strengthen the Department's procedures include the following:

- The BTOP program Davis-Bacon compliance officer attends the Department of Labor Davis-Bacon seminars, workshops and conferences.
- In October 2012, a workshop was held by the Department for all contractors on the project to go over the Davis-Bacon rules, regulations and the process for corrections and calculating wage and fringe.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 014 (continued)

##### *Auditee Response and Corrective Action Plan: (continued)*

- Another workshop is being scheduled to be held by the Department for all contractors to help provide guidance and training specifically related to making corrections, closeout procedures, and maintaining proper documentation.
- When a new contract is awarded, there is a special meeting with the contractor and the Davis-Bacon compliance officer to review the Davis-Bacon requirements (i.e., required forms and instructions) to make sure that all rules are understood.
- Due to updated Department of Labor regulations, additional detail and documentation related to fringe rates is being requested from contractors to verify contractor compliance with these new regulations.
- In November 2012, additional follow-up procedures were implemented to ensure contractors are responding timely with submitting corrections and required documentation when issues have been identified.

Since this additional training was provided and revised procedures were implemented, the Department has noticed less errors and much improvement with contractors complying with the Davis-Bacon Act and paying their employees in compliance with the Federal hourly rate requirement per Department of Labor.

Regarding the three transactions identified in the audit finding where hourly rate selected by the contractor was lower than the prevailing wage for work classification per the Department of Labor, the Department had identified these transactions were not in compliance. For all three transactions, the forms had been returned to the contractor for a corrected payroll form. In addition, each contractor was required to provide documentation as assurance that payment was adjusted. Due to timing, the Department had not yet received the contractor's adjusted forms until after the end of the fiscal year.

While the Department will continue to make changes to enhance existing procedures as necessary, the Department believes existing procedures, within the BTOP program, are adequate and timely enough to ensure that contractors are paying their employees in compliance with the Federal hourly rate requirement per Department of Labor.

##### *Auditee Update – October 2013:*

Since the original response, DoIT took the following actions:

- The three Davis Bacon Payrolls that were found to be underpaid had been returned to the contractors for correction. The contractors responded after the audit period, therefore the corrections were listed as part of the audit findings.
- The contractors were notified and were given all the proper forms from the Department of Labor for correcting payroll reports.
- DoIT conducted another training workshop for all contractors on the One Maryland Broadband Network (OMBN) project and sent the updated wage rates to all contractors.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2012 - 014 (continued)

##### *Auditee Update – October 2013: (continued)*

- In October 2013, DoIT conducted a closeout webinar with the contractors to prepare all for the storage and closeout of Davis Bacon Payrolls.

DoIT has also discovered other contractors that underpaid and is currently working with them to ensure proper payment and corrections to both the employees and for the DOL records. DoIT will continue to ensure that contractors are paying their employees in compliance with the Federal hourly rate requirement, and that all Davis Bacon corrections and information will be completed by the closeout date of 11/29/13.

##### *Auditor's Conclusion:*

Based on testing performed during 2013, the finding is resolved.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2013**

**Finding 2012 - 015**

**Department of Military**

**CFDA No. 11.555    Public Safety Interoperable Communications Grant Program**

**U.S. Department of Commerce (DOC)**

**Compliance Deficiency over Reporting**

***Condition:***

Expenditures charged to the program as reported on the States General Ledger System in the schedule of expenditures of Federal awards were \$8,798,617 while total expenditures charged to the program as reported on the Federal Financial Reports were \$9,799,361.

***Criteria:***

OMB-Circular A-133 Subpart C Section .300 (b) states, "The auditee shall maintain internal controls over Federal Programs that provides reasonable assurance that the auditee is 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.

***Cause:***

The program allowed for a 90-day liquidation period following the end of the performance period. The performance period ended on June 30, 2012, at which time \$1,000,744 was committed but not yet expended. These funds were expended in July 2012, but were included as expenditures during the period ended June 30, 2012, on the Federal Financial Reports.

***Effect:***

The Federal Financial Reports overstated actual expenditures charged to the program as of June 30, 2012, by \$1,000,744.

***Questioned Costs:***

Unknown.

***Recommendation:***

We recommend the program only include actual expenditures, as supported by the general ledger. We suggest any unliquidated grant amounts be included on a separate line item on the report if required on the Form SF-425.



## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2012 - 15 (continued)**

##### ***Auditee Response and Corrective Action Plan:***

The Department partially concurs with the recommendation. As of June 30, 2012 actual expenditures reported per the Schedule G and the initial SF-425 were in agreement and totaled \$8,798,617. Subsequent to submitting the initial SF-425; \$1,000,744 of expenditures were liquidated in July and a final SF-425 was submitted which reported total expenditures of \$9,799,361. Due to the 90 day liquidation period, it is not unusual for an initial, interim (s) and final SF-425 to be electronically submitted to the federal government.

The federal reporting system is electronic and only archives the amounts reported from the final SF-425. In the future, and if applicable, the Department will retain a hard copy of any initial and/or interim SF-425 which reconciles with the Schedule G.

##### ***Auditee Update – February 2014:***

The federal reporting system only archives the amounts reported from the final Form SF-425. The Form SF-425 does not include a separate line for reporting unliquidated amounts. Therefore, the Department will continue to retain a hard copy of any initial and/or interim Form SF-425 which reconciles with the Schedule G. The program has ended so there are no further expenditures to report.

##### ***Auditor's Conclusion:***

As the program has ended and no further reporting is available, no further action can be taken.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2011 - 001**

##### **Department of Health and Mental Hygiene (DHMH)**

###### **Medicaid Cluster**

**CFDA No. 93.775     State Medicaid Fraud Control Units**  
**CFDA No. 93.777     State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare**  
**CFDA No. 93.778     Medical Assistance Program (Medicaid; Title XIX)**  
**CFDA No. 93.767     Children's Health Insurance Program (CHIP)**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Internal Control and Compliance Deficiency over the Eligibility Determination Process**

##### ***Condition:***

The Local Health Departments (LHD) and the Local Departments of Social Services (LDSS) are responsible for determining eligibility under the Medicaid Cluster and the Maryland Children's Health Insurance Program (CHIP) on a uniform basis throughout the State for persons who are indigent or medically indigent according to regulations, guidelines and procedures established by DHMH and who apply for the expanded State Children's Insurance Program under Title XXI of the Social Security Act.

We selected a total of 60 CHIP claims and 60 Medicaid claims to review files for eligibility determination. All claims were processed during the fiscal year ended June 30, 2011. Below are the exceptions:

#### **CHIP**

##### **Baltimore City - LDSS**

During our testing, we noted one individual for which the case file could not be located in order to determine if the individual met the eligibility criteria.

##### **Prince Georges County - LDSS**

During our testing, we noted two individuals for which the case files could not be located in order to determine if they met the eligibility criteria.

#### **Medicaid Program**

##### **Baltimore City - LDSS**

During our testing, we noted two individuals for which the case files could not be located in order to determine if they met the eligibility criteria

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2011 - 001 (continued)

##### **Baltimore County - LDSS**

During our testing, we noted one individual for which the case file could not be located in order to determine if the individual met the eligibility criteria.

The benefits paid for the related cases above totaled \$32,732 for the fiscal year ended June 30, 2011.

##### ***Criteria:***

OMB Circular A-133 states that “States are required to include in their State plans a description of the standards used to determine eligibility of targeted low-income children.” Under the State plan, only targeted low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan) are furnished child health assistance under the State Child Health Insurance Plan.

The following are standards for eligibility determinations per OMB A-133 and Maryland’s State Plan:

1. Children under age 19;
2. Countable income is at or below 200% of the Federal poverty level (FPL);
3. Pregnant women of any age whose countable income is at or below 250% FPL;
4. Current resident of the State of Maryland;
5. Applicants are required to provide a Social Security Number or apply for a Social Security Number;
6. A U.S. Citizen;
7. Qualified aliens, as defined at 8 USC 1641, who entered the U.S. on or after August 22, 1996, are not eligible for CHIP for a period of five years, beginning on the date the alien became a qualified alien, unless the alien is exempt from this five year bar under the terms of 8 USC 1613; and
8. Eligibility must be redetermined at least every 12 months.

##### ***Cause:***

LDSS personnel did not obtain or maintain the necessary documentation to support the eligibility determination.

##### ***Effect:***

Since documentation and verifications were not performed in accordance with program requirements, DHMH does not have adequate assurance that eligibility for Medicaid and CHIP is being properly determined.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2011 - 001 (continued)

##### *Questioned Costs:*

\$32,732.

##### *Recommendation:*

We recommend the Local Departments of Social Services comply with established Federal and State regulations for determining eligibility by obtaining and maintaining the required documentation.

##### *Auditee Response and Corrective Action Plan:*

DHMH agrees with the recommendation that the Local Departments of Social Services (LDSS) comply with established Federal and State regulations for determining eligibility by obtaining and maintaining the required documentation.

DHMH will work with the Department of Human Resources (DHR) and the LDSS on issues with record retention, obtaining and maintaining documentation, performing the appropriate clearances at application and redetermination, transferring case records between local departments and re-determining eligibility appropriately.

With regard to each of the missing case files, we have investigated the specific recipients of those missing files and have determined that based solely upon a review of the electronic case materials, each would in fact be Medicaid eligible. Furthermore, we have determined that three of the missing case files were a result of two offices merging and two of the missing case files were as a result of a flood encountered by another office.

We are working with the three cited local departments to address how they plan to track, monitor and secure case records. In addition to following-up with each cited local department, we will issue an updated information memorandum highlighting the issues to all eligibility workers by the end of fiscal year 2012. Review of error-prone activities is a standard agenda item in DHMH training sessions for eligibility workers.

A Pre-Review system developed jointly with DHR has been in place since October 2011, as a review mechanism to apply to eligibility determinations before they are finalized. We are currently in the process of “fine-tuning” the system to maximize program benefits. It is expected that identification of error-prone elements prior to finalization will significantly reduce our vulnerability to audit findings.

Additionally, we will continue to add appropriate items to the agenda for the regularly scheduled meetings with DHR and Local Department staff.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2011 - 001 (continued)

##### *Auditee Update – October 2013:*

Each of the cases cited by the auditors has been resolved. The three cited local departments have developed and implemented corrective action plans to address the findings noted.

Baltimore City and Baltimore County Department of Social Services did not have any repeat Medicaid and MCHP findings in 2012.

The finding for Prince George's County Department of Social Services in 2011 for one missing case record was as a result of a flood at one of their locations. DHR phased in document imaging in local Departments of Social Services to facilitate more efficient electronic management of customer documents. Prince George's County Department of Social Services served as the pilot site for the document imaging as their corrective action plan to safeguard customer documents.

In addition, in order to prevent a reoccurrence of these types of findings, several new systems such as the PIRAMID (Program Integrity Reporting and Management Information Database), which replaces monthly reviews of the small retroactive samples with a review mechanism applied to all eligibility determinations before they are finalized, and the Enterprise Content Management Solutions (ECMS) system, which helps to guard against record losses by converting all records into an electronic format to reduce reliance on paper records have been developed. Lastly, the Department continues to provide eligibility training with an emphasis on compliance to help prevent a recurrence of these types of findings.

Error issues continue to be reviewed at weekly meetings with DHR Management, bi-monthly meetings with OES Management, quarterly meetings of the Corrective Action Panel, and monthly meetings with the DHMH/DHR Joint Committee on Medical Assistance Workgroup.

##### *Auditor's Conclusion:*

Based on testing performed during 2013, the finding is resolved.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2011 - 004

##### Department of Human Resources (DHR)

##### CFDA No. 93.568 Low-Income Home Energy Assistance Program (LIHEAP)

##### U.S. Department of Health and Human Services (HHS)

#### Internal Control and Compliance Deficiency over Eligibility

##### *Condition:*

We selected a sample of 60 transactions for eligibility testing. During our testing, we noted four files were not properly maintained, which prevented audit verification of supervisory approval. There were a total of five files without supervisory signature approval for eligibility; four files at Baltimore City and one file at Baltimore County. In addition, we noted the eligibility requirement for one applicant could not be properly determined, as income supporting documentation was missing.

##### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control-Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Per 42 USC 8624(b)(2):

The State agrees to make payments under this subchapter only with respect to—

- (A) households in which 1 or more individuals are receiving—
  - (i) assistance under the State program funded under part A of title IV of the Social Security Act [42 U.S.C. 601 et seq.];
  - (ii) supplemental security income payments under title XVI of the Social Security Act [42 U.S.C. 1381 et seq.];
  - (iii) food stamps under the Food Stamp Act of 1977 [7 U.S.C. 2011 et seq.]; or
  - (iv) payments under section 1315, 1521, 1541, or 1542 of title 38, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2011 - 004 (continued)

##### *Criteria: (continued)*

- (B) households with incomes which do not exceed the greater of—
  - (i) an amount equal to 150 percent of the poverty level for such State; or
  - (ii) an amount equal to 60 percent of the State median income.

##### *Cause:*

DHR did not follow its established procedures of review and sign off to ensure that applicant eligibility determinations were reviewed for accuracy. DHR also did not maintain files and other documentation to support their eligibility determination.

##### *Effect:*

Since documentation and verification were not properly maintained in accordance with program requirements and cases could not be located, DHR does not have adequate assurance that eligibility for LIHEAP is being properly determined.

##### *Questioned Costs:*

\$1,035.

##### *Recommendation:*

We recommend that DHR comply with established Federal and State regulations for determining eligibility to include obtaining and maintaining the required documentation and performing verifications to support eligibility decisions. We also recommend that all records are properly safeguarded and maintained.

##### *Auditee Response and Corrective Action Plan:*

DHR reviewed the auditors' sample and concurred with the finding regarding documentation. We reached similar conclusions from our reviews and have cited local agencies in the past. The Office of Home Energy Programs (OHEP) will present and discuss these findings at the OHEP's annual meeting of the local agencies administering LIHEAP in April. The goal is to reinforce the significance of maintaining the required documentation and signatures, as well as to ensure that the policies are clearly understood. The next DHR monitoring cycle will validate whether policies are being followed.

DHR was aware of the destruction of some files as the result of flooding in a file room caused by burst pipes. Therefore, the finding that "files were not properly maintained" does not apply to that office.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2011 - 004 (continued)

##### *Auditee Update – January 2014:*

In addition to reviews and site visits, DHR is enhancing the energy assistance information technology (IT) system to provide document imaging. This system, also known as Enterprise Content Management (ECM), makes electronic copies of verification documents and links them to each household's data on the system. Electronic records are more easily (1) retrieved, (2) preserved and (3) reviewed than documents in paper based systems.

The change to an electronic case record will facilitate the supervisory review process because the application and verification documents will be faster to locate than paper files.

The development sessions began during the week of October 8, 2013 for the ECM project.

The DHR LIHEAP aforementioned corrective action plan is still in progress.

##### *Auditor's Conclusion:*

Based on testing performed during 2013, the finding is resolved.



## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2011 - 006

##### Department of Human Resources (DHR)

##### CFDA No. 93.563 Child Support Enforcement

##### U.S. Department of Health and Human Services (HHS)

#### Internal Control and Compliance Deficiency over Subrecipient Monitoring

##### *Condition:*

During the testing of sub-recipient monitoring, we selected a sample size of nine transactions. We noted three sub-recipient monitoring reports did not have supervisory approval. The A-133 audit reports were not obtained and reviewed for three sub-recipients. In addition, four subrecipient corrective action plans were not received related to monitoring reports identifying deficiencies.

##### *Criteria:*

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The characteristics of internal control are presented in the context of the components of internal control discussed in *Internal Control-Integrated Framework* (COSO Report), published by the Committee of Sponsoring Organizations of the Treadway Commission. The COSO Report provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

Per OMB Circular A-133 and 31 USC 7502(f)(2)(B):

A pass-through entity is responsible for:

*Award Identification* – At the time of the award, identifying to the sub-recipient 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.

*During-the-Award Monitoring* – Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the sub-recipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2011 - 006 (continued)

##### *Criteria: (continued)*

*Subrecipient Audits* – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 (the circular is available on the Internet at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>) and that the required audits are completed within 9 months of the end of the sub-recipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the sub-recipient's audit report; and (3) ensuring that the sub-recipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a sub-recipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

##### *Cause:*

The child support program staff did not have controls in place to sufficiently maintain proper documentation to verify subrecipient monitoring was completed in accordance with their policy.

##### *Effect:*

DHR is not in compliance with the subrecipient monitoring requirements of OMB Circular A-133.

##### *Questioned Costs:*

Unknown.

##### *Recommendation:*

We recommend that the child support program implement procedures that ensure that all programs are properly monitored each year and the documentation noting the monitoring was performed and maintained. We also recommend the established monitoring and follow up procedures that are in place are adequately documented and maintained on file.

##### *Auditee Response and Corrective Action Plan:*

It is DHR/CSEA management's contention that a supervisory review and approval is required for all monitoring reports and corrective action plans. The reviewed sub-recipient monitoring reports in relation to this audit established the compliance with deliverables within the contracts parameters by all but one sub-recipient. The lone sub-recipient that appeared to be out of compliance within the established parameters of the contract was inappropriately subjected to those parameters.

# STATE OF MARYLAND

## Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

### Finding 2011 - 006 (continued)

#### *Auditee Response and Corrective Action Plan: (continued)*

DHR/CSEA management secured audited financial statements from sub-recipients who received \$500,000 or more from DHR/CSEA. Moreover, the deficiencies noted as a part of the audited financial statements appeared to indirectly relate to the Sheriffs and Masters whom are the subrecipients of DHR/CSEA. However, DHR/CSEA will institute new policy requiring audited financial statements from all sub-recipients.

#### *Auditee Update – January 2014:*

See the Department's response to finding 2012-005.

For the fiscal year ending 2014, CSEA incorporated language into the cooperative reimbursement agreement addressing the A-133 audit report or audit financial statements. As of April 1, 2013, CSEA implemented a quality review procedure that verifies the review and sign off of sub-recipient of reports by the appropriate administrator.

#### *Auditor's Conclusion:*

Based on testing performed during 2013, the finding is resolved.

# **STATE OF MARYLAND**

## **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

### **Finding 2011 - 008**

#### **Department of Human Resources (DHR)**

##### **Emergency Food Assistance Cluster (TEFAP)**

**CFDA No. 10.568     Emergency Food Assistance Program (Administrative Costs)**

**CFDA No. 10.569     Emergency Food Assistance Program (Food Commodities)**

#### **U.S. Department of Agriculture (USDA)**

### **Compliance and Significant Deficiency over Accountability for Commodities**

#### ***Condition:***

During our audit, we noted that DHR does not have a consistent system of taking periodic inventory counts. We were unable to test the accountability of commodities as the required physical inventory records were not maintained by DHR.

#### ***Criteria:***

Per 7 CFR sections 250.16(a)(6) and 250.15(c):

Accurate and complete records shall be maintained with respect to the receipt, distribution/use, and inventory of 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 is liable for the value of the food or replacement of the food in kind.

Per 7 CFR section 250.14(e):

Distributing and recipient 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 which 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.

#### ***Cause:***

DHR did not have adequate procedures in place related to the accountability of commodities.

#### ***Effect:***

The lack of tracking and maintaining records of the physical inventory allows the potential for abuse, including fraud and other defalcation, to exist and not be detected.

#### ***Questioned Costs:***

Unknown.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2011 - 008 (continued)

##### ***Recommendation:***

We recommend that physical counts of inventory should be performed at least annually. The results should be reviewed and reconciled to the accounting system. The perpetual inventory listing should be reconciled to the general ledger, with any large discrepancies investigated and explained. Any adjustments, along with the cost of goods sold entries, should be made and a procedure should be implemented to allow for these adjustments to occur on an annual basis.

##### ***Auditee Response and Corrective Action Plan:***

DHR agrees that at one time, its oversight of commodity food inventories needed improvement.

The USDA reviewed this program in FY 2010, and found some shortcomings regarding the inventory process. Subsequent to June 2011, new processes were implemented by the DHR TEFAP staff.

The unit responsible for commodities and related contracts were previously located in the DHR Office of Grants Management (OGM). A reorganization of some modals within DHR took place effective February 28, 2012, and the OGM personnel responsible for TEFAP administration were transferred to the Family Investment Administration (FIA) Bureau of Policy, Reporting and Training. FIA management is currently reviewing all prior policies and procedures and will work with the TEFAP staff to ensure that the process approved by the USDA remains in place.

##### ***Auditee Update – January 2014:***

The Department's corrective action plan is in progress.

Based on U.S. Department of Agriculture, Food & Nutrition Services (USDA, FNS) 2010 Management Evaluation recommendations to the State Plan, Maryland's requirement for TEFAP monitoring and reviews is 10% or 20, whichever is less, of its Eligible Recipient Agencies (ERA). Annually, DHR conducts six administrative reviews of Emergency Feeding Organizations (EFOs) and a minimum of 20 monitoring reviews of their ERAs (pantries, soup kitchens, shelters and/or group homes). DHR also conducts annual reviews of TEFAP storage facilities. While FNS does not require that EFOs conduct site reviews, Maryland requires its EFOs conduct a 100% review of their ERAs annually. In FFY 13, six administrative reviews, 25 monitoring reviews and 2 storage facility reviews were completed.

Regarding inventories, our vendors conduct most of the inventories while an agency staff conducts about 20% of the physical inventories. Agency personnel reconcile the physical inventories to the control documents. Discrepancies are handled on a case by case basis.

##### ***Auditor Conclusion:***

As physical inventories reconciled to the accounting records were not provided during fiscal year 2013, the finding is a repeat finding.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2010 - 001**

##### **Department of Health and Mental Hygiene (DHMH)**

###### **Medicaid Cluster**

**CFDA No. 93.775     State Medicaid Fraud Control Units**  
**CFDA No. 93.777     State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare**  
**CFDA No. 93.778     Medical Assistance Program (Medicaid; Title XIX)**  
  
**CFDA No. 93.767     Children's Health Insurance Program (CHIP)**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Internal Control and Compliance Deficiency over the Eligibility Determination Process**

##### ***Condition:***

The Local Health Departments (LHD) and the Local Departments of Social Services (LDSS) are responsible for determining eligibility under the Maryland Children's Health Insurance Program (CHIP) on a uniform basis throughout the State for persons who apply for the expanded State Children's Insurance Program under Title XXI of the Social Security Act.

We selected a total of 60 CHIP claims and 60 Medicaid claims to review files for eligibility determination. All claims were processed during the fiscal year ended June 30, 2010. Below are the exceptions:

#### **CHIP**

##### **Anne Arundel County - LHD**

During our testing, we noted the annual redetermination was made after the 12 month required period for one individual.

##### **Baltimore City - LDSS**

During our testing, we noted one individual that did not have proof of citizenship in their case file.

##### **Prince Georges County - LDSS**

During our testing, we noted one individual for which the case file could not be located in order to determine if it met the eligibility criteria.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2010 - 001 (continued)

##### *Condition: (continued)*

#### Medicaid Program

##### DHMH

During our testing, we noted for one individual, the application was received in 2008, but was not considered eligible until 2010. No annual redetermination was made for this individual until 2010. DHMH processed and accepted the original application from 2008.

##### Baltimore City - LDSS

During our testing, we noted one individual for which the case file could not be located in order to determine if it met the eligibility criteria.

##### Baltimore County - LDSS

During our testing, we noted one individual for which the case file could not be located in order to determine if it met the eligibility criteria.

The benefits paid for the related cases above totaled \$21,589 for the fiscal year ended June 30, 2010.

##### *Criteria:*

OMB Circular A-133 states that "States are required to include in their State plans a description of the standards used to determine eligibility of targeted low-income children." Under the State plan, only targeted low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan) are furnished child health assistance under the state child health plan.

The following are standards for eligibility determinations per OMB A-133 and Maryland's State Plan:

1. Children under age 19
2. Countable income is at or below 200% of the federal poverty level (FPL)
3. Pregnant women of any age whose countable income is at or below 250% FPL
4. Current resident of the State of Maryland
5. Applicants are required to provide a Social Security Number or apply for a Social Security Number
6. A U.S. Citizen
7. Qualified aliens, as defined at 8 USC 1641, who entered the U.S. on or after August 22, 1996, are not eligible for CHIP for a period of five years, beginning on the date the alien became a qualified alien, unless the alien is exempt from this five year bar under the terms of 8 USC 1613.
8. Eligibility must be redetermined at least every 12 months.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2010 - 001 (continued)**

##### ***Cause:***

LHD and LDSS personnel did not obtain or maintain the necessary documentation to support the eligibility determination, and DHMH (PAC) and the LHD did not re-determine eligibility at least every 12 months.

##### ***Effect:***

Since documentation, re-determinations and verifications were not performed in accordance with program requirements, DHMH does not have adequate assurance that eligibility for Medicaid and CHIP is being properly determined.

##### ***Questioned Costs:***

\$21,589.

##### ***Recommendation:***

We recommend that DHMH's Local Health Departments, Local Departments of Social Services and Division of Eligibility Waiver Services/Primary Adult Program comply with established Federal and state regulations for determining eligibility by obtaining and maintaining the required documentation and performing verifications to support eligibility decisions, and re-determining eligibility as required.

##### ***Auditee Response and Corrective Action Plan:***

DHMH agrees with the recommendation that Local Health Departments (LHD), Local Departments of Social Services (LDSS) and the Division of Eligibility Waiver Services/Primary Adult Program (DEWS/PAC) comply with established Federal and state regulations for determining eligibility by obtaining and maintaining the required documentation, performing verifications to support eligibility decisions, and re-determining eligibility as required.

DHMH will work with the Department of Human Resources (DHR) and the LHD on issues with obtaining and maintaining documentation, performing the appropriate clearances at application and redetermination, transferring case records between local departments, record retention and re-determining eligibility appropriately. In addition to following-up with each cited local department, we will issue an information memorandum highlighting the issues to all eligibility workers by the end of the fiscal year. Additionally, we will add appropriate items to the agenda for the regularly scheduled meetings and training sessions beginning in April 2011.

The eligibility and re-determination process for PAC is provided for on a separate system from Medicaid and CHIP. There were multiple enhancements to the PAC Eligibility system in 2009 and 2010. Once the enhancements were made, DHMH made provisions for the backlog associated with the PAC Eligibility system down time to be resolved. Although the re-determinations were not completely timely as required by Federal and State regulations, continued eligibility was re-established when the system enhancements were completed.



## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2010 - 001 (continued)**

##### ***Auditee Update – January 2014:***

Each of the cases cited by the auditors has been resolved.

In addition, in order to prevent a reoccurrence of these types of findings, several new systems such as the PIRAMID (Program Integrity Reporting and Management Information Database), which replaces monthly reviews of the small retroactive samples with a review mechanism applied to all eligibility determinations before they are finalized, and the Enterprise Content Management Solutions (ECMS) system, which helps to guard against record losses by converting all records into an electronic format to reduce reliance on paper records have been developed. Lastly, the Department continues to provide eligibility training with an emphasis on compliance to help prevent a recurrence of these types of findings.

##### ***Auditor's Conclusion:***

Based on testing performed during 2013, the finding is resolved.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2010 - 009**

##### **Department of Human Resources (DHR)**

##### **Temporary Assistance for Needy Families (TANF) Cluster**

**CFDA No. 93.558      Temporary Assistance for Needy Families (TANF) State Programs**

**CFDA No. 93.714      ARRA – Emergency Contingency Fund for Temporary Assistance for  
Needy Families (TANF) State Programs**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Compliance Deficiency over Activities Allowed or Unallowed and Allowable Costs/Cost Principles**

##### ***Condition:***

During our audit, we reviewed the TANF grant award and the TANF plan. We noted there was no evidence that the amended State Plan for TANF, revised September 30, 2009, was approved and incorporated into the “completed” TANF plan by the U.S. Department of Health and Human Services. Included in the amended TANF plan from DHR was activity for a scholarship program through the Maryland Higher Education Commission (MHEC). Included in the activity under the amended State Plan is the following for MHEC. “Maryland Higher Education Commission scholarship programs are eligible for TANF funding because post-secondary educational attainment by State residents decreases the incidence of out-of-wedlock births by raising the “opportunity cost” of having children outside of marriage. Studies also show that professional careers (often the product of higher education) delay fertility. These programs provide non-assistance.”

Expenditures for the scholarship program for fiscal year 2010, amounted to \$43.7 million. The expenditures for the scholarship program could not be verified as allowable under the TANF program, per OMB Circular A-133 as of June 30, 2010.

##### ***Criteria:***

Per TANF-ACF-PI-97-12:

Once the Administration for Children and Families (ACF) review of the amendment is completed and there are no issues requiring further clarification, the ACF Regional Administrator will send the State agency a letter indicating that the amendment has been received, reviewed, and incorporated into the State’s “complete” TANF plan.

##### ***Cause:***

DHR has not obtained formal approval from the Federal government authorizing the use of TANF funds on the MHEC scholarship program.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2010 - 009 (continued)

***Effect:***

TANF funds used for activities and costs under the MHEC scholarship program may not be approved by the Federal government.

***Questioned Costs:***

Unknown.

***Recommendation:***

We recommend DHR obtain formal approval from the Federal government of the amended State Plan dated September 30, 2009, to support the allowability of the use of TANF funds on the MHEC scholarship program.

***Auditee Response and Corrective Action Plan:***

On March 10, 2011, the Department sent in its response to Federal questions regarding the State Plan amendment on the use of TANF funds on the MHEC scholarship program. The Department received a reply that the plan amendment has been accepted and incorporated into Maryland's completed TANF plan.

***Auditee Update – January 2014:***

In a November 1, 2013 letter the HHS Administration for Children and Families (ACF) did not agree with the aforementioned audit finding as stated. ACF noted that the office of Family Assistance Program instruction (PI), TANF-ACF-PI-97-12, referenced in the audit report as criterion for the basis of the finding, does not provide the requirements for a formal approval by the ACF prior to the use of the TANF funds. ACF determines completeness not approval. Additionally, ACF noted that they have reviewed and incorporated the State Plan amendment into Maryland's TANF plan and therefore, do not sustain the finding. ACF also noted that although they are not prepared to agree that the benefits to students are reasonably calculated to further a purpose of TANF, they intend to explore this concern prospectively.

***Auditor's Conclusion:***

Based on our review of the reply letter referred to above, the finding is resolved.

# **STATE OF MARYLAND**

## **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

### **Finding 2010 - 010**

#### **Department of Human Resources (DHR)**

##### **Emergency Food Assistance Cluster**

**CFDA No. 10.568      Emergency Food Assistance Program (Administrative Costs)**

**CFDA No. 10.569      Emergency Food Assistance Program (Food Commodities)**

#### **U.S. Department of Agriculture (USDA)**

### **Compliance and Significant Deficiency over Accountability for Commodities**

#### ***Condition:***

During our audit, we noted that DHR does not have a consistent system of taking periodic inventory counts. We were unable to test the accountability of commodities due to the required physical inventory records were not maintained by DHR.

#### ***Criteria:***

Per 7 CFR sections 250.16(a)(6) and 250.15(c):

Accurate and complete records shall be maintained with respect to the receipt, distribution/use, and inventory of 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 is liable for the value of the food or replacement of the food in kind.

Per 7 CFR section 250.14(e):

Distributing and recipient 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 which 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.

#### ***Cause:***

DHR did not have needed staff to perform functions related to the accountability of commodities.

#### ***Effect:***

The lack of tracking and maintaining records of the physical inventory allows the potential for abuse, including fraud and other defalcation, to exist and not be detected.

#### ***Questioned Costs:***

Unknown.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2010 - 010 (continued)

##### ***Recommendation:***

We recommend that physical counts of inventory should be performed at least annually. The results should be reviewed and reconciled to the accounting system. The perpetual inventory listing should be reconciled to the general ledger, with any large discrepancies investigated and explained. Any adjustments, along with the cost of goods sold entries, should be made and a procedure should be implemented to allow for these adjustments to occur on an annual basis.

##### ***Auditee Response and Corrective Action Plan:***

DHR concurs with the recommendation. The Office of Grants Management (OGM) is developing an automated and improved inventory system to replace the current outdated Excel spreadsheets. This system will reconcile the inventory to the general ledger. Reports will be reviewed monthly and any large discrepancies investigated and explained. Adjustments, along with the cost of goods, will be made and procedures implemented to allow for these adjustments to occur on an annual basis.

The Office of Grants Management will conduct physical inventories to correspond with both the State and the federal fiscal year. The inventories will occur on August 15<sup>th</sup> for the prior State fiscal year and November 15<sup>th</sup> for the prior federal fiscal year. Inventories will be conducted at all warehouses that contained Emergency Food Assistance Program (TEFAP) food at the end of the appropriate fiscal year.

##### ***Auditee Update – January 2014:***

The Department's corrective action plan is in progress.

Based on U.S. Department of Agriculture, Food & Nutrition Services (USDA, FNS) 2010 Management Evaluation recommendations to the State Plan, Maryland's requirement for TEFAP monitoring and reviews is 10% or 20, whichever is less, of its Eligible Recipient Agencies (ERA). Annually, DHR conducts six administrative reviews of Emergency Feeding Organizations (EFOs) and a minimum of 20 monitoring reviews of their ERAs (pantries, soup kitchens, shelters and/or group homes). DHR also conducts annual reviews of TEFAP storage facilities. While FNS does not require that EFOs conduct site reviews, Maryland requires its EFOs conduct a 100% review of their ERAs annually. In FFY 13, six administrative reviews, 25 monitoring reviews and 2 storage facility reviews were completed.

Regarding inventories, our vendors conduct most of the inventories while an agency staff conducts about 20% of the physical inventories. Agency personnel reconcile the physical inventories to the control documents. Discrepancies are handled on a case by case basis.

##### ***Auditor Conclusion:***

As physical inventories reconciled to the accounting records were not provided during fiscal year 2013, the finding is a repeat finding.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2009 - 003**

##### **Department of Health and Mental Hygiene (DHMH)**

##### **CFDA No. 93.767     State Children's Insurance Program (SCHIP)**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Compliance Deficiency over the Eligibility Determination Process**

##### ***Condition:***

The Local Health Departments (LHD) are responsible for determining eligibility under the Maryland Children's Health Insurance Program (SCHIP) on a uniform basis throughout the State for persons who apply for the expanded State Children's Insurance Program under Title XXI of the Social Security Act.

We selected a total of 65 SCHIP claims to review files for eligibility determination. We tested 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Frederick County, Caroline County, Queen Anne's County and Montgomery County. The test was composed of eight newly established recipients and five existing recipients. All claims were processed during the fiscal year ended June 30, 2009. We noted the following exceptions:

##### **Baltimore City**

There were two files that were not available for review (newly and existing). They did not comply with the requirement to verify and maintain proof of citizenship and social security number in one of the eight new files tested. There was no redetermination letter sent out for one of the existing files and proof of citizenship was not acquired.

##### **Caroline County**

There was no redetermination letter sent out for one of the existing files tested.

##### **Queen Anne's County**

There was no redetermination letter sent out for one of the new files tested.

##### **Montgomery County**

They did not comply with the requirement to verify and maintain proof of citizenship and social security number in one of the eight new files tested. There was no redetermination letter sent out for one of the existing files tested.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2009 - 003 (continued)

##### *Criteria:*

OMB A-133 states that “States are required to include in their State plans a description of the standards used to determine eligibility of targeted low-income children.” Under the State plan, only targeted low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan) are furnished child health assistance under the state child health plan.

The following are standards for eligibility determinations per OMB A-133 and Maryland’s State Plan:

1. Children under age 19
2. Countable income is at or below 200% of the federal poverty level (FPL)
3. Pregnant women of any age whose countable income is at or below 250% FPL
4. Current resident of the State of Maryland
5. Applicants are required to provide a Social Security Number or apply for a Social Security Number
6. A U.S. Citizen
7. Qualified aliens, as defined at 8 USC 1641, who entered the U.S. on or after August 22, 1996, are not eligible for SCHIP for a period of five years, beginning on the date the alien became a qualified alien, unless the alien is exempt from this five year bar under the terms of 8USC 1613.
8. Eligibility must be redetermined at least every 12 months.

##### *Auditee Response and Corrective Action Plan:*

DHMH agrees with the recommendation that Local Health Departments (LHD) comply with requirements of federal and state law for determining eligibility, including obtaining and maintaining required documents and performing verifications to support eligibility decisions.

DHMH will follow up with each cited LHD, address the issues at quarterly meetings with MCHP Supervisors from LHDs, transmit system broadcast messages to all eligibility workers, and add appropriate items to the agendas for regular Regional Training and onsite training targeted to LHDs.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2009 - 003 (continued)**

##### ***Auditee Update – January 2014:***

Each of the cases cited by the auditors has been resolved.

In addition, in order to prevent a reoccurrence of these types of findings, several new systems such as the PIRAMID (Program Integrity Reporting and Management Information Database), which replaces monthly reviews of the small retroactive samples with a review mechanism applied to all eligibility determinations before they are finalized, and the Enterprise Content Management Solutions (ECMS) system, which helps to guard against record losses by converting all records into an electronic format to reduce reliance on paper records have been developed. Lastly, the Department continues to provide eligibility training with an emphasis on compliance to help prevent a recurrence of these types of findings.

##### ***Auditor's Conclusion:***

Based on testing performed during 2013, the finding is resolved.



## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2008 - 001**

##### **Department of Health and Mental Hygiene (DHMH)**

##### **CFDA No. 93.767     State Children's Insurance Program (SCHIP)**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Compliance Deficiency over the Eligibility Determination Process**

##### ***Condition:***

The Local Health Departments (LHD) are responsible for determining eligibility under the Maryland Children's Health Insurance Program on a uniform basis throughout the State for persons who are apply for the expanded State Children's Insurance Program under Title XXI of the Social Security Act.

We selected a total of 65 SCHIP claims to review files for eligibility determination. We tested 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Frederick County, Howard County, Kent County and Alleghany County. The test was composed of 8 newly established recipients and five existing recipients. All claims were processed during the fiscal year ended June 30, 2008. We noted the following exceptions:

##### **Baltimore City**

Did not comply with the requirement to verify and maintain proof of citizenship in one of the eight new files tested.

##### **Frederick County**

Existing participant was denied medical assistance due to over scale income and was sent a letter regarding the premium program in 2002. Since that time, the participant has been using the premium program without any redeterminations of the eligibility status by neither the premium department, DHR or DHMH. There was no file available for review and within the CARES system, there had only been information through January 16, 2002.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2008 - 001 (continued)

##### *Auditee Response and Corrective Action Plan:*

DHMH agrees with the finding and recommendation for Baltimore City and has once again reinforced the citizenship and identity requirements to the Baltimore City Health Department (Baltimore Health Care Access). Baltimore Health Care Access senior management staff has assured us that they retrained staff regarding these requirements and are conducting internal audits as a follow-up measure.

The Department concurs with the finding for the Frederick County case as referenced above. Upon research, it was discovered the case was not sent on the daily auxiliary file from CARES as eligible for redetermination of current eligibility status. However, as of December 17, 2008, the client was denied medical assistance due to over scale income and was referred to the MCHP Premium Program. To date, the client has been deemed eligible for MCHP Premium. Additional analysis is being completed to determine the cause for the transmission error with the auxiliary file. In addition, MCHP Premium staff is reviewing the redetermination process for overall efficiency and process improvement. In the interim, reports are being generated and worked monthly by the MCHP Premium Unit to ensure timely results of application processing and redetermination status.

##### *Auditee Update – January 2014:*

Each of the cases cited by the auditors has been resolved.

In addition, in order to prevent a reoccurrence of these types of findings, several new systems such as the PIRAMID (Program Integrity Reporting and Management Information Database), which replaces monthly reviews of the small retroactive samples with a review mechanism applied to all eligibility determinations before they are finalized, and the Enterprise Content Management Solutions (ECMS) system, which helps to guard against record losses by converting all records into an electronic format to reduce reliance on paper records have been developed. Lastly, the Department continues to provide eligibility training with an emphasis on compliance to help prevent a recurrence of these types of findings.

##### *Auditor's Conclusion:*

Based on testing performed during 2013, the finding is resolved.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013**

#### **Finding 2007 - 003**

##### **Department of Health and Mental Hygiene (DHMH)**

##### **CFDA No. 93.767 State Children's Insurance Program (SCHIP)**

##### **U.S. Department of Health and Human Services (HHS)**

#### **Internal Control and Compliance Deficiency over the Eligibility Determination Process**

##### ***Condition:***

The Local Health Departments (LHD) are responsible for determining eligibility under the Maryland Children's Health Insurance Program on a uniform basis throughout the State for persons who are apply for the expanded State Children's Insurance Program under Title XXI of the Social Security Act.

We selected a total of 65 SCHIP claims to review files for eligibility determination. We tested 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Frederick County, Howard County, Cecil County and Charles County. The test was composed of 8 newly established recipients and five existing recipients. All claims were processed during the fiscal year ended June 30, 2007. We noted the following exceptions:

##### **Baltimore City**

Did not comply with the requirement to verify and maintain proof of citizenship in one of the five existing files tested.

##### **Frederick County**

Internal control deficiency in that one of the five existing files could not be located.

##### **Howard County**

Internal control deficiency in that two of the eight newly eligible files could not be located.

This is, in part, a repeat finding from fiscal year 2006, Finding 2006 - 18.

##### ***Updated Auditee Response and Corrective Action Plan: (October, 2011 Update)***

Each of the cases cited by the auditors has been researched and it appears that only one case may result in the recipient's ineligibility. We are further reviewing this case and in the process of determining the amount of "Questioned Costs" related to this case.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2013

#### Finding 2007 - 003 (continued)

##### ***Updated Auditee Response and Corrective Action Plan: (October, 2011 Update)***

An Information Memorandum highlighting the types of errors reported in 2010-1 was issued jointly with DHR on August 30, 2011, as #12-05 Compliance Issues from Medicaid Audit Findings. Additionally, an Action Transmittal specifically highlighting MCHP Premium Redetermination Processing was issued jointly with DHR on August 15, 2011, as #12-08 CHIP Premium Eligibility Processing for Redeterminations.

We contacted each local department cited in August individually to remind them to use the newly issued Information Memorandum and Action Transmittal in conjunction with their reported corrective measures. Additionally, we reviewed these errors again with MCHP eligibility workers in the latest Supervisors' Meeting and Quarterly Meeting. Error issues continue to be reviewed at weekly meetings with DHR Management, bi-monthly meetings with OES Management and quarterly meetings of the Corrective Action Panel.

DHMH has held 11 additional training sessions with eligibility staff since July 2011 that included a discussion of error prone processing areas. Compliance issues will continue to be addressed in our ongoing training sessions. As of August 2011, audit findings are now featured and listed as a distinct agenda topic in our training sessions.

An Action Transmittal highlighting the Pre-Review system was issued jointly with DHR on October 4, 2011, as #12-10 Procedures for PIRAMID Pre-Review. For LDSS staff, it replaces monthly reviews of the small retroactive samples with a review mechanism applied to all eligibility determinations before they are finalized. We are currently in the process of "fine-tuning" the system to maximize program benefits. It is expected that identification of error-prone elements prior to finalization will significantly reduce our vulnerability to audit findings.

##### ***Auditee Update – January 2014:***

Each of the cases cited by the auditors has been resolved.

In addition, in order to prevent a reoccurrence of these types of findings, several new systems such as the PIRAMID (Program Integrity Reporting and Management Information Database), which replaces monthly reviews of the small retroactive samples with a review mechanism applied to all eligibility determinations before they are finalized, and the Enterprise Content Management Solutions (ECMS) system, which helps to guard against record losses by converting all records into an electronic format to reduce reliance on paper records have been developed. Lastly, the Department continues to provide eligibility training with an emphasis on compliance to help prevent a recurrence of these types of findings.

##### ***Auditor's Conclusion:***

Based on testing performed during 2013, the finding is resolved.



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