

**STATE OF MARYLAND**

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

**Year Ended June 30, 2010**





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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Honorable Peter Franchot  
Comptroller of Maryland

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, 2010, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements, schedules and supplementary information are the responsibility of the State's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of (1) certain Economic Development Loan Programs; (2) the Maryland State Lottery Agency; (3) the Maryland Transportation Authority; (4) the Economic Development Insurance Programs; (5) certain foundations included in the higher education component units; (6) the Maryland Food Center Authority; (7) the Maryland Technology Development Corporation; and (8) the Investment Trust Fund, which represent the percentages of the total assets, total net assets, and total operating revenues or additions included in the financial statements.

	<b>Percentage of Opinion Unit</b>		
	<b>Total Assets</b>	<b>Total Net Assets</b>	<b>Total Operating Revenues</b>
<b>Business-Type Activities</b>			
Major -			
Certain Economic Development Loan Programs	30.7 %	8.7 %	4.3 %
Maryland State Lottery Agency	2.1	0.4	49.3
Maryland Transportation Authority	46.0	48.1	15.0
Non-Major -			
Economic Development Insurance Programs	0.9	1.7	0.1
Total percentage of business-type activities	<u>79.7 %</u>	<u>58.9 %</u>	<u>68.7 %</u>
<b>Component Units</b>			
Major -			
Certain foundations included in the higher education component units	12.8 %	15.5 %	13.5 %
Non-Major -			
Maryland Food Center Authority	0.3	0.4	0.4
Maryland Technology Development Corporation	0.3	0.1	1.7
Total percentage of component units	<u>13.4 %</u>	<u>16.0 %</u>	<u>15.6 %</u>
<b>Fiduciary Funds</b>			
Investment Trust Fund	<u>5.8 %</u>	<u>6.9 %</u>	<u>75.4 %</u>



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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 above-mentioned funds and component units, is based on the reports 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2010, on our consideration of the State's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Schedule of Expenditures of Federal awards is presented for purposes of additional analysis as required by the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal awards is prepared on the basis of accounting described in Note 2 to the Schedule of Expenditures of Federal awards and excludes the expenditures associated with the Federal financial assistance programs for 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, that had separate OMB Circular A-133 audits. The information in the Schedule of Expenditures of Federal awards has been subject to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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, and Other Post-employment Benefits Plan; and the respective budgetary



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comparison for the budgetary general, special and Federal funds as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the State's basic financial statements. The combining financial statements, schedules, introductory and statistical sections, and financial schedules required by law, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken 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 by us or the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hunt Valley, Maryland  
December 10, 2010

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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***



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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 the basic financial statements of the State of Maryland (the State), as of and for the year ended June 30, 2010, and have issued our report thereon dated December 10, 2010. 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. Our report on the basic financial statements included disclosures regarding our references to the reports of other auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the State's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

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 combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, or material weaknesses. We and the other auditors did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State's financial statements are free of 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 and those of other auditors 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 University System of Maryland, and Baltimore City Community College in separate letters dated November 2, 2010, and November 10, 2010, respectively.

This report is intended solely for the information and use of the State's management, the U.S. Department of Health and Human Services (cognizant agency), Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hunt Valley, Maryland  
December 10, 2010

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS REPORT ON  
COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Peter Franchot  
Comptroller of Maryland

**Compliance**

We have audited the State of Maryland's (the State) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit.

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 conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the State's compliance with those requirements.



In our opinion, the State complied, in all material respects, with the 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, 2010. However, the results of our audit procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2010-1, 2010-2, 2010-3, 2010-4, 2010-5, 2010-6, 2010-8, 2010-9, 2010-10, 2010-11, 2010-12, 2010-13, 2010-14, 2010-15, 2010-16, 2010-17 and 2010-18.

### **Internal Control over Compliance**

Management of the State is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the State's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. 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 that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 2010-1, 2010-2, 2010-4, 2010-7, 2010-8, 2010-10, 2010-12, 2010-13, 2010-14, 2010-15, 2010-16 and 2010-18. 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.

The State's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the State's responses and, accordingly, we express no opinion on the responses.



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This report is intended solely for the information and use of the State's management, the U.S. Department of Health and Human Services (cognizant agency), Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hunt Valley, Maryland  
March 2, 2011

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

STATE OF MARYLAND

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>US DEPARTMENT OF AGRICULTURE (USDA)</b>						
Contract/Other	10.Unknown	\$ -	\$ -	\$ 298,230		\$ 298,230
Contract/Other	10.USDA- AG3198P090038	-	-	35,592		35,592
Contract/Other	10.USDA- CO31014C09	-	-	37,839		37,839
Agricultural Research: Basic and Applied Research	10.001	-	-	1,637,890		1,637,890
Plant & Animal Disease, Pest Control & Animal Care	10.025	-	-	1,544,671		1,544,671
Wild Life Service	10.028	-	-	61,347		61,347
Commodity Loans & Loan Deficiency Payments	10.051	-	-	77,607		77,607
Conservation Reserve Program	10.069	-	-	30,476		30,476
Market Protection & Promotion	10.163	-	-	257,766		257,766
Grants for Agricultural Research, Special Research Grants	10.200	-	-	14,655		14,655
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	-	-	1,267,956		1,267,956
Grants for Agricultural Research: Competitive Research Grants	10.206	-	-	91,795		91,795
National Research Initiative Competitive Grants Program	10.206	4,547	-	-		4,547
Pass-Through Grants - University of Vermont	10.215	-	-	55,389		55,389
Sustainable Agriculture Research and Education	10.215	-	-	828,394		828,394
1890 Institution Capacity Building Grants	10.216	-	-	723,770		723,770
Agricultural and Rural Economic Research	10.250	-	-	27,699		27,699
Integrated Programs	10.303	-	-	607,155		607,155
Pass-Through Pennsylvania State University	10.303	-	-	751		751
Pass-Through Auburn University	10.304	-	-	3,944		3,944
Pass-Through University of Vermont	10.309	-	-	1,817		1,817
Specialty Crop Research Initiative	10.309	-	-	403,310		403,310
Pass-Through Auburn University	10.316	-	-	2,162		2,162
Outreach and Assistance for Socially Disadvantage Farmers and Ranchers	10.443	-	-	38,998		38,998
Crop Insurance	10.450	-	-	527,052		527,052
Community Outreach and Assistance Partnership Program	10.455	-	-	35,994		35,994
Egg Product Inspection	10.476	-	-	127,995		127,995
Pass-Through University of Delaware	10.500	-	-	21,463		21,463
Cooperative Extension Service	10.500	-	-	6,025,700		6,025,700
Pass-Through Kansas State University	10.500	-	-	35,436		35,436
Pass-Through Auburn University	10.500	-	-	1,783		1,783
Pass-Through Northeast Center for Risk Management Association	10.500	-	-	33,379		33,379
Pass-Through University of Vermont	10.500	-	-	12,505		12,505
Pass-Through Utah State University	10.500	-	-	7,221		7,221
Dept. of Agriculture USDA	10.550	-	-	18,032,000		18,032,000
<b>Supplemental Nutritional Assistance Program Cluster (SNAP)</b>						
Food Stamps	10.551	-	-	836,291,525		836,291,525
Admin. Funding for Food Stamp Program - ARRA	10.561	-	-	2,088,695		2,088,695
Admin. Funding for Food Stamp Program	10.561	-	-	51,168,377		51,168,377
<b>Total SNAP Cluster</b>					\$ 889,548,597	
<b>Child Nutrition Cluster</b>						
School Breakfast Program	10.553	-	-	36,918,861		36,918,861
Special Milk Program for Children	10.556	-	-	388,041		388,041
Summer Food Service Program for Children - (SFSPC)	10.559	-	-	132,477,247		132,477,247
<b>Total Child Nutrition Cluster</b>					169,784,149	
Team Nutrition Training for Healthy School Meals	10.554	-	-	24,997		24,997
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	-	-	99,385,040		99,385,040
Child & Adult Care Food Program	10.558	-	-	43,349,405		43,349,405
Administrative Expenses for Child Nutrition	10.560	-	-	2,859,374		2,859,374
<b>Emergency Food Assistance Program Cluster (TEFAP)</b>						
Emergency Food Assistance Program - ARRA	10.569	-	-	323,150		323,150
Emergency Food Assistance Program (Admin. Costs)	10.568	-	-	829,016		829,016
Emergency Food Assistance Program (Food Commodities)	10.569	-	-	7,345,023		7,345,023
<b>Total TEFAP Cluster</b>					8,497,189	
WIC Farmers' Market Nutrition Program (FMNP)	10.572	-	-	492,788		492,788
Team Nutrition Training	10.574	-	-	19,317		19,317
Farmers Market Nutrition Program (SFMNP)	10.576	-	-	249,053		249,053
Administrative Review & Training	10.579	-	-	99,639		99,639
Grant Dietary - ARRA	10.579	-	-	1,305,394		1,305,394
Fresh Fruit & Vegetable Program	10.582	-	-	1,497,591		1,497,591
Agricultural Mediation Program	10.645	-	-	141,940		141,940
Cooperative Forestry Assistance	10.664	-	-	1,422,887		1,422,887
Urban & Community Forestry Program	10.675	-	-	24,819		24,819
Forest Legacy Program	10.676	-	-	7,824		7,824
Forest Stewardship Program	10.678	-	-	123,959		123,959
1890 Land Grant Institution Rural Entrepreneurial Outreach Program	10.856	-	-	100,000		100,000
Environmental Quality	10.912	-	-	737,559		737,559
Agricultural Land Preservation	10.913	-	-	6,126,627		6,126,627
Agricultural Statistical Reports	10.950	-	-	10,500		10,500
Technical Agricultural Assistance	10.960	-	-	3,614,640		3,614,640
International Training: Foreign Participant	10.962	-	-	11,054		11,054
Agricultural Marketing Service	10.RD	8,387	-	-		8,387
Agricultural Research Service	10.RD	1,729,607	-	-		1,729,607
Animal and Plant Health Inspection Service	10.RD	140,045	-	-		140,045
Economic Research Service	10.RD	147,676	-	-		147,676
Food Safety and Inspection Service	10.RD	14,511	-	-		14,511
Foreign Agricultural Service	10.RD	878,719	-	-		878,719

## STATE OF MARYLAND

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>US DEPARTMENT OF AGRICULTURE (USDA) (continued)</b>						
Forest Service	10.RD	\$ 226,450	\$ -	\$ -		\$ 226,450
National Agricultural Statistics Service	10.RD	6,970	-	-		6,970
Natural Resources Conservation Service	10.RD	657,394	-	-		657,394
Other Department of Agriculture	10.RD	16,499	-	-		16,499
Pass-Through Cornell University	10.RD	114,279	-	-		114,279
Pass-Through Delaware State University	10.RD	12,531	-	-		12,531
Pass-Through Indiana University-Purdue University Indianapolis	10.RD	21,549	-	-		21,549
Pass-Through Maryland Soybean Board	10.RD	1,433	-	-		1,433
Pass-Through National Fish & Wildlife Foundation	10.RD	93,506	-	-		93,506
Pass-Through North Carolina State University	10.RD	1,076	-	-		1,076
Pass-Through Ohio State University	10.RD	9,017	-	-		9,017
Pass-Through Pennsylvania State University	10.RD	79,739	-	-		79,739
Pass-Through University of Massachusetts Dartmouth	10.RD	36,147	-	-		36,147
Pass-Through University of Vermont	10.RD	21,642	-	-		21,642
Pass-Through University of Wisconsin	10.RD	55,313	-	-		55,313
Pass-Through Virginia Polytechnic Institute and State University	10.RD	655	-	-		655
Pass-Through, Rutgers, the State University of New Jersey	10.RD	12,451	-	-		12,451
The National Institute of Food and Agriculture (NIFA)	10.RD	8,776,484	-	-		8,776,484
<b>Total US Department of Agriculture</b>		<b>13,066,627</b>	<b>-</b>	<b>1,262,344,083</b>		<b>1,275,410,710</b>
<b>DEPARTMENT OF COMMERCE (DOC)</b>						
Contract/Other	11.SB134108-SE0756	-	-	6,653		6,653
Contract/Other	11.SB134109-SE0779	-	-	21,574		21,574
Contract/Other	11.SB134109-SE0916	-	-	4,985		4,985
Contract/Other	11.YA132307-CN0048	-	-	1,604,842		1,604,842
Census Special Tabulations and Services	11.005	-	-	41,478		41,478
Economic Development: Technical Assistance	11.303	-	-	137,600		137,600
Economic Adjustment Assistance	11.307-	-	-	308,150		308,150
	11903134.000	-	-	-		-
Economic Adjustment Assistance	11.307-	-	-	1,281,897		1,281,897
	014903271	-	-	-		-
Economic Adjustment Assistance	11.307-	-	-	3,517,264		3,517,264
	014903420-	-	-	-		-
	01490342001	-	-	-		-
Interjurisdictional Fisheries Act of 1986	11.407	-	-	20,268		20,268
Pass-Through Maryland Sea Grant College	11.417	-	-	277,666		277,666
Sea Grant Support	11.417	2,270	-	-		2,270
Coastal Zone Management Administration Awards	11.419	-	-	4,979,127		4,979,127
Pass-Through PBS&J (Atlanta, GA)	11.419	-	-	22,936		22,936
Coastal Zone Management Estuarine Research Reserves	11.420	-	-	748,002		748,002
Financial Assistance for National Centers for Coastal Ocean Science	11.426	-	-	431,896		431,896
Marine Mammal Data Program	11.439	-	-	47,240		47,240
Environmental Sciences, Applications, Data and Education	11.440	-	-	5,833		5,833
Unallied Industry Projects	11.452	-	-	3,400,274		3,400,274
Unallied Management Program	11.454	-	-	35,548		35,548
Pass-Through Sea Education Association Inc	11.455	-	-	13,110		13,110
Chesapeake Bay Studies	11.457	-	-	1,142,813		1,142,813
Pass-Through Maryland Sea Grant College	11.457	-	-	14,899		14,899
Chesapeake Bay Studies	11.457	578,669	-	-		578,669
Tsunami Mitigation 2008	11.467	-	-	1,500		1,500
Unallied Science Program	11.472	-	-	8,550		8,550
Atlantic Coastal Fisheries Cooperative Management Act	11.474	-	-	235,424		235,424
Coastal Ocean Research Program	11.478	-	-	70,277		70,277
Educational Partnership Programs	11.481	-	-	2,148,518		2,148,518
Environmental Entrepreneurship Program	11.481	-	-	29,400		29,400
Public Safety Interop Comm. Grant Prog FY 2007	11.555	-	-	4,025,822		4,025,822
Pass-Through Maryland Broadband Cooperative, Inc - ARRA	11.558	-	-	329,854		329,854
Weights and Measures Service	11.606	-	-	198,679		198,679
Measurement & Engineering Research & Standards	11.609	-	-	601,753		601,753
Measurement & Engineering Research & Standards - ARRA	11.609	231,653	-	-		231,653
Pass-Through Temple University - ARRA	11.609	19	-	-		19
Manufacturing Extension Partnership	11.611	-	-	512,654		512,654
Congressionally Identified Projects	11.617	-	-	259,146		259,146
Basic Minority Business Development Centers	11.800	-	-	197,130		197,130
National Institute for Standards and Technology	11.RD	13,710,657	-	-		13,710,657
National Oceanic and Atmospheric Administration	11.RD	10,772,327	-	-		10,772,327
Pass-Through Rutgers, The State University of New Jersey	11.RD	148,672	-	-		148,672
Pass-Through Chesapeake Research Consortium	11.RD	541,853	-	-		541,853
Pass-Through Florida Fish & Wildlife Conservation Commission	11.RD	84,016	-	-		84,016
Pass-Through GreenEyes, LLC	11.RD	55,074	-	-		55,074
Pass-Through Maryland Sea Grant College	11.RD	157,352	-	-		157,352
Pass-Through Metropolitan Washington Council of Governments	11.RD	14,826	-	-		14,826
Pass-Through North Pacific Research Board	11.RD	132,394	-	-		132,394
Pass-Through Oak Management, Inc	11.RD	44,327	-	-		44,327
Pass-Through Oyster Recovery Partnership	11.RD	231,638	-	-		231,638

STATE OF MARYLAND

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FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF COMMERCE (DOC) (continued)</b>						
Pass-Through Research Foundation of The City University of New York	11.RD	\$ 117,688	\$ -	\$ -		\$ 117,688
Pass-Through University of Massachusetts	11.RD	17,922	-	-		17,922
Pass-Through University of New Hampshire	11.RD	10,815	-	-		10,815
Pass-Through University of North Carolina	11.RD	14,024	-	-		14,024
Pass-Through University of Texas- Austin	11.RD	18,754	-	-		18,754
Pass-Through Virginia Marine Research Corp.	11.RD	608	-	-		608
US Census Bureau	11.RD	1,338,170	-	-		1,338,170
<b>Total Department of Commerce</b>		<b>28,223,728</b>	<b>-</b>	<b>26,682,762</b>		<b>54,906,489</b>
<b>DEPARTMENT OF DEFENSE (DOD)</b>						
Contract/Other	12.Unknown	-	-	256,916		256,916
Contract/Other - National Defense University: IPA Contract	12.070	-	-	193,404		193,404
Contract/Other	12.H9400308-P8026	-	-	65,000		65,000
Contract/Other - NSA	12.H98230-09-C-0895	-	-	32,774		32,774
Contract/Other - Defense Information Systems Agency	12.HC1047-05-D-4015	-	-	988,808		988,808
Contract/Other - National Defense University						-
Pass-Through University of California	12 RD	157,490	-	-		157,490
Pass-Through University of California	12 RD	183,799	-	-		183,799
Procurement Technical Assistance for Business Firms	12.002	-	-	466,552		466,552
Pass-Through Combustion Research & Flow Technology	12.08C0687C363	114,997	-	-		114,997
Pass-Through General Vortex Energy	12.091	91,467	-	-		91,467
Pass-Through Battelle Pacific Northwest National Laboratory - ARRA	12.106946	-	-	131,431		131,431
Planning Assistance to States	12.110	-	-	105,714		105,714
State Memo of Agreement Prog for Reimb of Tech Service	12.113	-	-	695,522		695,522
High Atom Number in Microsized Atom Traps	12.300	-	-	83,555		83,555
Basic and Applied Scientific Research	12.300	-	-	208,818		208,818
Pass-Through Iktara and Associates	12.300	-	-	9,948		9,948
Basic and Applied Scientific Research	12.300	503,032	-	-		503,032
Large-Number and Individual Atom Microchip Traps for Sensor Applications and Fundamental Studies	12.300	-	-	27,103		27,103
National Guard Military Operations & Maint. - ARRA	12.401	-	-	18,872,049		18,872,049
National Guard Civilian Youth Opportunities	12.404	-	-	1,704,539		1,704,539
Military Medical Research & Development	12.420	-	-	1,602		1,602
Basic Scientific Research	12.431	-	-	88,796		88,796
Basic Scientific Research	12.431	1,521,413	-	-		1,521,413
Pass-Through L-3 Communications	12.431	31,060	-	-		31,060
Pass-Through Bryn Mawr College	12.550	-	-	19,631		19,631
Pass-Through Institute of International Education	12.550	-	-	427,691		427,691
Pass-Through Institute of International Education	12.551	-	-	65,143		65,143
Community Econ. Adjustment Planning Assistance	12.607	-	-	2,026,739		2,026,739
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	-	203,946		203,946
Pass-Through Academy of Applied Science	12.630	-	-	7,799		7,799
Basic, Applied, Advanced Research in Science & Engineering	12.630	10,181	-	-		10,181
Motor Week Energy	12.678	-	-	466,269		466,269
Air Force Defense Research Sciences Program	12.800	-	-	154,721		154,721
Air Force Defense Research Sciences Program	12.800	24,698	-	-		24,698
Pass-Through Princeton University - ARRA	12.800	132,054	-	-		132,054
Language Grant Program	12.900	-	-	109,484		109,484
Mathematical Sciences Grants Program	12.901	-	-	652,331		652,331
Mathematical Sciences Grants Program	12.901	169,991	-	-		169,991
Information Security Grant Program	12.902	-	-	214,375		214,375
Pass-Through BBNT Solutions LLC	12.95000094	156,738	-	-		156,738
Pass-Through Johns Hopkins University	12.APL-940720	-	-	9,355		9,355
Pass-Through Energy Concepts, LLC - ARRA	12.Contract No. 09123055	19,955	-	-		19,955
Pass-Through ManTech International Corporation	12.MSD07SNNG-07CA18C014	32,110	-	-		32,110
Defense Advanced Research Projects Agency:	12.RD	2,682,609	-	-		2,682,609
Department of Air Force, Office of Scientific Research	12.RD	2,750,818	-	-		2,750,818
Department of Army, Army Research Office	12.RD	109,340	-	-		109,340
Department of the Air Force, Material Command	12.RD	9,464,183	-	-		9,464,183
Department of the Army, Office of the Chief of Engineers	12.RD	387,554	-	-		387,554
Department of the Navy, Office of Chief of Naval Research	12.RD	20,580,100	-	-		20,580,100
National Geospatial Intelligence Agency	12.RD	90,563	-	-		90,563
National Security Agency	12.RD	34,722,637	-	-		34,722,637
Office of the Secretary of Defense	12.RD	2,059,771	-	-		2,059,771
Other Department of Defense	12.RD	919,525	-	-		919,525
Pass-Through Advance Thermal and Environmental	12.RD	16,791	-	-		16,791
Pass-Through AGEISS	12.RD	13,812	-	-		13,812
Pass-Through Argonne National Laboratory	12.RD	121,606	-	-		121,606
Pass-Through Auburn University	12.RD	5,087	-	-		5,087
Pass-Through BAE Systems Advance Information Technologies	12.RD	930,300	-	-		930,300
Pass-Through BAE Systems Information Technologies	12.RD	554,675	-	-		554,675
Pass-Through Battelle Memorial Institute	12.RD	22	-	-		22

## STATE OF MARYLAND

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FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF DEFENSE (DOD) (continued)</b>						
Pass-Through Battelle Memorial Institute	12.RD	\$ 34,451	\$ -	\$ -		\$ 34,451
Pass-Through Bell Communications Research (Bellcore)	12.RD	353,588	-	-		353,588
Pass-Through Brown University	12.RD	336,637	-	-		336,637
Pass-Through California Institute of Technology	12.RD	478,693	-	-		478,693
Pass-Through Clark University	12.RD	41,265	-	-		41,265
Pass-Through Columbia University	12.RD	148,258	-	-		148,258
Pass-Through CPU Technology, Inc	12.RD	125,403	-	-		125,403
Pass-Through Energetics Technology Center	12.RD	87,523	-	-		87,523
Pass-Through Exponent, Inc	12.RD	82,546	-	-		82,546
Pass-Through Georgia Institute of Technology	12.RD	223,622	-	-		223,622
Pass-Through Henry Jackson Foundation	12.RD	36,242	-	-		36,242
Pass-Through Institute of International Educations	12.RD	1,133,673	-	-		1,133,673
Pass-Through International Business Machines, Corp. (IBM)	12.RD	323,222	-	-		323,222
Pass-Through Johns Hopkins University	12.RD	49,999	-	-		49,999
Pass-Through Johns Hopkins University	12.RD	95,664	-	-		95,664
Pass-Through Lynntech	12.RD	43,292	-	-		43,292
Pass-Through Michigan State University	12.RD	8,993	-	-		8,993
Pass-Through New Mexico State University	12.RD	111,733	-	-		111,733
Pass-Through Ohio State University	12.RD	254,263	-	-		254,263
Pass-Through Penn State University	12.RD	62,035	-	-		62,035
Pass-Through Qualtech Research, Inc	12.RD	204,547	-	-		204,547
Pass-Through Rensselaer Polytechnic Institute	12.RD	371,025	-	-		371,025
Pass-Through Rensselaer Poytechnic Institute	12.RD	9,023	-	-		9,023
Pass-Through Rice University	12.RD	67,963	-	-		67,963
Pass-Through Rice University	12.RD	214,032	-	-		214,032
Pass-Through Rutgers, State University of New Jersey	12.RD	19,640	-	-		19,640
Pass-Through Rutgers, The State University of New Jersey	12.RD	91,714	-	-		91,714
Pass-Through Samueli Institute	12.RD	12,785	-	-		12,785
Pass-Through Science Applications International Corp	12.RD	25,161	-	-		25,161
Pass-Through Smart Information Flow Technologies	12.RD	82,896	-	-		82,896
Pass-Through SRI International	12.RD	124,562	-	-		124,562
Pass-Through Stanford University	12.RD	56	-	-		56
Pass-Through Stevens Institute of Technology	12.RD	90,153	-	-		90,153
Pass-Through Technion Research and Development Foundation	12.RD	285,674	-	-		285,674
Pass-Through Texas University	12.RD	90,602	-	-		90,602
Pass-Through The RETEC Group, Inc	12.RD	28,573	-	-		28,573
Pass-Through University of Arizona	12.RD	5,072	-	-		5,072
Pass-Through University of California, Berkeley	12.RD	33,919	-	-		33,919
Pass-Through University of California, Irvine	12.RD	81,256	-	-		81,256
Pass-Through University of Illinois	12.RD	144,907	-	-		144,907
Pass-Through University of Michigan	12.RD	50,284	-	-		50,284
Pass-Through University of Nevada, Las Vegas	12.RD	223,512	-	-		223,512
Pass-Through University of Pennsylvania	12.RD	66,939	-	-		66,939
Pass-Through University of Rochester Institute of Optics	12.RD	320,870	-	-		320,870
Pass-Through University of Washington	12.RD	23,839	-	-		23,839
Pass-Through University of Washington	12.RD	36,036	-	-		36,036
Pass-Through University of Wisconsin	12.RD	786	-	-		786
Pass-Through Woods Hole Oceanographic Institute	12.RD	3,709	-	-		3,709
Total Pass-Through University of Illinois-Urbana/Champaign	12.RD	142,059	-	-		142,059
U.S. Army, Material Command	12.RD	10,901,621	-	-		10,901,621
U.S. Army, Medical Command	12.RD	5,892,797	-	-		5,892,797
University of Uniformed Services of the Health Sciences	12.RD	71,421	-	-		71,421
Pass-Through Alion Science and Technology Group	12.SUB1290705	28,571	-	-		28,571
Pass-Through Battelle Memorial Institute	12.TCN09006	40,850	-	-		40,850
<b>Total Department of Defense</b>		<b>102,376,335</b>	<b>-</b>	<b>28,290,015</b>		<b>130,666,349</b>
<b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT (HUD)</b>						
Department of Housing & Urban Development	14.000	-	-	1,409,840		1,409,840
TCAP - ARRA	14.000	-	-	11,179,889		11,179,889
Supportive Housing for Persons with Disabilities	14.181	-	-	293,155		293,155
<b>Section 8 Project - Based Cluster</b>						
Section 8 Housing Assistance Payments Program	14.195	-	-	168,403,908		168,403,908
Lower Income Housing Assistance Program - Section 8	14.856	-	-	358,218		358,218
<b>Total Section 8 Cluster</b>						
Community Development Block Grants/Entitlement Grants	14.218	-	-	62,900	168,762,126	62,900
Pass-Through City of Cumberland	14.218	-	-	3,000		3,000
<b>Community Development Block Grants Cluster (CDBG)</b>						
Community Development Block Grant/State's Program	14.228	-	-	23,063,730		23,063,730
Community Development Block Grant - ARRA	14.228	-	-	181,684		181,684
<b>Total CDBG Cluster</b>						
Housing Assistance	14.231	-	-	363,263		363,263
HPRP - ARRA	14.231	-	-	1,469,365		1,469,365
Supportive Housing Program	14.235	-	-	679,709		679,709
Shelter Plus Care	14.238	-	-	3,415,655		3,415,655
HOME Investment Partnership Program	14.239	-	-	9,144,533		9,144,533
Housing Opportunities for Persons with AIDS	14.241	-	-	713,253		713,253
Community Dev. Block Grants/Brownsfields Economic Dev. Initiative	14.246	-	-	130,417		130,417
Fair Housing Assistance Program: State & Local	14.401	-	-	433,121		433,121
Historically Black Colleges and Universities Programs	14.520	-	-	123,624		123,624
HBCU Program	14.520	-	-	226,031		226,031
Section 8 Housing Choice Vouchers	14.871	-	-	16,820,492		16,820,492

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FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT (HUD) (continued)</b>						
Healthy Homes and Lead Hazard Control Programs	14.901	\$ -	\$ -	\$ 8,065		\$ 8,065
<b>Total Department of Housing &amp; Urban Development</b>		-	-	238,483,852		238,483,852
<b>DEPARTMENT OF THE INTERIOR (DOI)</b>						
Reg of Surface Coal Mining & Surface Effects of Underground Coal Mining	15.250	-	-	725,277		725,277
Abandoned Mine Land Reclamation (AMLR) Program	15.252	-	-	1,410,197		1,410,197
<b>Fish and Wildlife Cluster</b>						
Sport Fish Restoration	15.605	-	-	4,966,964		4,966,964
Wildlife Restoration	15.611	-	-	2,605,914		2,605,914
<b>Total Fish and Wildlife Cluster</b>					7,572,878	
Fish & Wildlife Management Assistance	15.608	-	-	52,266		52,266
Cooperative Endangered Species Conservation Fund	15.615	-	-	1,047,059		1,047,059
Clean Vessel Act	15.616	-	-	271,966		271,966
Wildlife Conservation Appreciation	15.617	-	-	11,315		11,315
North American Wetlands Conservation	15.623	-	-	802,079		802,079
Landowner Incentive	15.633	-	-	261,671		261,671
State Wildlife Grants	15.634	-	-	831,202		831,202
Pass-Through North Dakota Game and Fish Department	15.634	-	-	15,053		15,053
Challenge Cost Share	15.642	-	-	6,512		6,512
US Geological Survey: Research & Data Acquisition						
Pass-Through University of Maryland Baltimore County Research Park Corp	15.808	-	-	29,493		29,493
U.S. Geological Survey: Research and Data Acquisition	15.808	-	-	28,641		28,641
National Geological & Geophysical Data Preservation Program	15.814	-	-	64,242		64,242
Historic Preservation Fund Grants-In-Aid	15.904	-	-	902,628		902,628
Outdoor Recreation - Acquisition, Development & Planning	15.916	-	-	23,405		23,405
Native American Graves Protection & Repatriation Act	15.922	-	-	3,357		3,357
National Center for Preservation Technology & Training	15.923	-	-	11,891		11,891
Save America's Treasures	15.929	-	-	1,767,317		1,767,317
Chesapeake Bay Gate Grants	15.930	-	-	32,548		32,548
Chesapeake Bay Gateways Network	15.930	-	-	1,647		1,647
National Park Service	15.RD	889,487	-	-		889,487
Other Department of Interior - Research and Development	15.RD	297,642	-	-		297,642
Pass-Through America View, Inc	15.RD	38,750	-	-		38,750
Pass-Through Caroline Soil Conservation District	15.RD	76,012	-	-		76,012
Pass-Through Chesapeake Watershed Cooperative Ecosystem Studies Unit	15.RD	4,766	-	-		4,766
Pass-Through Cooperative Ecosystem Studies Units	15.RD	40,535	-	-		40,535
U.S. Fish and Wildlife Service	15.RD	11,001	-	-		11,001
U.S. Geological Survey	15.RD	603,549	-	-		603,549
<b>Total Department of Interior (DOI)</b>		1,961,742	-	15,872,644		17,834,386
<b>DEPARTMENT OF JUSTICE (DOJ)</b>						
Contract/Other	16.Unknown	-	-	2,511,362		2,511,362
Marijuana Eradication	16.004	-	-	102,913		102,913
Sexual Assault Services Formula	16.017	-	-	10,764		10,764
Offender Reentry Program	16.202	-	-	69,608		69,608
Juvenile Accountability Incentive Block Grants	16.523	-	-	773,374		773,374
Reduce Violent Crimes Against Women on Campus	16.525	-	-	125,589		125,589
Safe Havens for Children	16.527	-	-	4,412		4,412
Juvenile Justice & Delinquency Prevention: Allocation to States	16.540	-	-	1,056,234		1,056,234
Missing Children's Assistance	16.543	-	-	456,482		456,482
Title V: Delinquency Prevention Program	16.548	-	-	37,635		37,635
MD Justice Statistics Program - SACS	16.550	-	-	61,045		61,045
National Criminal History Improvement Program (NCHIP)	16.554	-	-	365,275		365,275
National Institute of Justice Research, Evaluation, & Development Projects Grants	16.560	-	-	214,103		214,103
Forensic DNA Lab Improvement	16.564	-	-	24,244		24,244
Crime Victim Assistance	16.575	-	-	7,845,774		7,845,774
Crime Victim Assistance - ARRA	16.575	-	-	372,454		372,454
Crime Victim Compensation	16.576	-	-	4,002,000		4,002,000
Byrne Formula Grant Program	16.579	-	-	65,205		65,205
Byrne Memorial State & Local Law Enforcement Assistance	16.580	-	-	127,590		127,590
Discretionary Grant Prog						
Byrne Memorial State & Local Law Enforcement Assistance	16.580	-	-	3,146		3,146
Discretionary Grant Prog						
Edward Byrne Memorial	16.580	-	-	27,391		27,391
Violence Against Women Formula Grants	16.588	-	-	2,134,797		2,134,797
Violence Against Women Formula Grants - ARRA	16.588	-	-	1,097,271		1,097,271
Grant to Encourage Arrest Policies & Enforcement of Protection Orders	16.590	-	-	6,630		6,630
Local Law Enforcement Block Grants Program	16.592	-	-	45,629		45,629
Residential Substance Abuse Treatment for State Prisoners	16.593	-	-	370,351		370,351
Community Capacity Development Office	16.595	-	-	16,697		16,697
Corrections Training & Staff Development	16.601	-	-	17,821		17,821
State Criminal Alien Assistance Program	16.606	-	-	1,845,364		1,845,364
Bulletproof Vest Partnership Program	16.607	-	-	115,717		115,717
Gun Violence Prosecution Program	16.609	-	-	264,600		264,600
Public Safety Partnership & Community Policing	16.710	-	-	837,403		837,403
Public Safety Partnership and Community Policing Grants - ARRA	16.710	-	-	3,512		3,512

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FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF JUSTICE (DOJ) (continued)</b>						
Enforcing Underage Drinking Laws Program	16.727	\$ -	\$ -	\$ 367,967		\$ 367,967
Pass-Through Wicomico County Health Department	16.727	-	-	1,341		1,341
Drug Prevention Program	16.728	-	-	4,330		4,330
Protecting Inmates & Safeguarding Communities	16.735	-	-	18,058		18,058
Discretionary Grant Program						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	-	6,439,391		6,439,391
S/W Auto Victim Info Notification	16.740	-	-	39,400		39,400
DNA Capacity Enhancement FY 06(46195)	16.741	-	-	677,794		677,794
Paul Coverdell Nat Forensic - Lab	16.742	-	-	387,666		387,666
Anti-Gang Initiative Program	16.744	-	-	152,204		152,204
Support for Adam Walsh Act Implementation Grant Program	16.750	-	-	156,736		156,736
Prescription Drug Monitoring	16.754	-	-	6,532		6,532
Violence Against Women Formula Grant (VARA)	16.800	-	-	156,802		156,802
FY 2009 Recovery Act	16.802	-	-	570,638		570,638
Byrne Justice Recovery Act - ARRA	16.803	-	-	6,566,647		6,566,647
Pass-Through Salisbury City Police GOCCP Project	16.803	-	-	139,719		139,719
Federal Bureau of Investigation	16.RD	105,313	-	-		105,313
National Institute of Justice	16.RD	466,298	-	-		466,298
Office of Justice Programs	16.RD	43,741	-	-		43,741
Office of Juvenile Justice and Delinquency Prevention	16.RD	346,073	-	-		346,073
Pass-Through George Mason University	16.RD	53,707	-	-		53,707
Pass-Through Police Foundation	16.RD	6,191	-	-		6,191
Pass-Through University of Pennsylvania	16.RD	174	-	-		174
Pass-Through University of Central Florida	16.RD	255,542	-	-		255,542
<b>Total Department of Justice (DOJ)</b>		<b>1,277,039</b>	<b>-</b>	<b>40,697,617</b>		<b>41,974,656</b>
<b>DEPARTMENT OF LABOR (DOL)</b>						
Contract/Other	17.000	-	-	3,066,854		3,066,854
Labor Force Statistics	17.002	-	-	1,479,055		1,479,055
Compensation & Working Conditions	17.005	-	-	195,220		195,220
<b>Employment Service Cluster</b>						
Employment Services	17.207	-	-	13,335,287		13,335,287
Employment Services - ARRA	17.207	-	-	1,267,030		1,267,030
Disabled Veterans' Outreach Program (DVOP)	17.801	-	-	1,823,165		1,823,165
Local Veterans' Employment Representative Program	17.804	-	-	1,469,908		1,469,908
<b>Total Employment Service Cluster</b>					17,895,390	
Unemployment Insurance	17.225	-	-	2,112,938,073		2,112,938,073
Unemployment Insurance - ARRA	17.225	-	-	101,969		101,969
Senior Community Service Employment Program	17.235	-	-	1,860,925		1,860,925
Department of Labor - Recovery Act	17.236	-	-	26,301		26,301
Trade Adjustment Assistance: Workers	17.245	-	-	1,034,664		1,034,664
<b>Workforce Investment Act Cluster (WIA)</b>						
Workforce Investment Act: Adult Program	17.258	-	-	9,617,756		9,617,756
Workforce Investment Act: Adult Program - ARRA	17.258	-	-	2,411,522		2,411,522
Workforce Investment Act: Youth Activities	17.259	-	-	10,601,136		10,601,136
Workforce Investment Act: Youth Activities - ARRA	17.259	-	-	8,102,512		8,102,512
Workforce Investment Act: Dislocated Workers	17.260	-	-	12,125,922		12,125,922
Workforce Investment Act: Dislocated Workers - ARRA	17.260	-	-	3,425,735		3,425,735
Pass-Through Tri County Council for the Lower Eastern Shore	17.260	-	-	79,875		79,875
<b>Total WIA Cluster</b>					46,364,458	
Employment & Training Adm. Pilots, Demonstrations - ARRA	17.261	-	-	6,576		6,576
WIA Pilots, Demonstrations and Research Projects	17.261	-	-	50,482		50,482
Work Incentives Grant	17.266	-	-	279,265		279,265
Pass-Through Community College of Baltimore County	17.268	-	-	15,328		15,328
Work Opportunity Tax Credit Program	17.271	-	-	265,789		265,789
Labor Certification for Alien Workers	17.273	-	-	151,624		151,624
State Energy Sector Partnership - ARRA	17.275	-	-	493,018		493,018
HCTC GAP Filler III - ARRA	17.276	-	-	440,537		440,537
Occupational Safety and Health: Susan Harwood Training Grants	17.502	-	-	21,328		21,328
Occupational Safety & Health	17.503	-	-	4,358,129		4,358,129
Consultation Agreements	17.504	-	-	905,577		905,577
Occupational Illness & Injury Prevention	17.600	-	-	85,252		85,252
Bureau of Labor Statistics	17.RD	15,604	-	-		15,604
Employment and Training Administration	17.RD	30,929	-	-		30,929
Pass-Through Rutgers, The State University of New Jersey	17.RD	11,006	-	-		11,006
<b>Total Department of Labor</b>		<b>57,539</b>	<b>-</b>	<b>2,192,035,814</b>		<b>2,192,093,353</b>
<b>DEPARTMENT OF STATE (DOS)</b>						
Pass-Through Institute of International Education	19.010	-	-	23,904		23,904
Academic Exchange Programs - English Language Programs	19.421	-	-	357,795		357,795
International Education Training and Research	19.430	-	-	52,355		52,355
Pass-Through National Council for Eurasian and East European Research	19.RD	1,711	-	-		1,711
<b>Total Department of State (DOS)</b>		<b>1,711</b>	<b>-</b>	<b>434,054</b>		<b>435,765</b>
<b>DEPARTMENT OF TRANSPORTATION (DOT)</b>						
Contract/Other	20.000	-	-	662,157		662,157
Airport Improvement Program - ARRA	20.106	-	-	2,787,949		2,787,949
Stimulus Payment - ARRA	20.106	-	-	6,547,907		6,547,907

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FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF TRANSPORTATION (DOT) (continued)</b>						
<b>Highway Planning &amp; Construction Cluster</b>						
Highway Planning & Construction	20.205	\$ -	\$ -	\$ 350,604,579		\$ 350,604,579
Highway Planning & Construction - ARRA	20.205	-	-	156,083,831		156,083,831
Appalachian Development Highway System	23.003	-	-	207,537		207,537
<b>Total Highway Planning &amp; Construction Cluster</b>					506,895,947	
Highway Training and Education	20.215	-	-	55		55
Highway Training and Education	20.215	141,881	-	-		141,881
National Motor Carrier Safety	20.218	-	-	2,513,716		2,513,716
Commercial Driver License Grant Agreement	20.232	-	-	686,053		686,053
Commercial Driver License Information System	20.238	-	-	97,206		97,206
<b>Federal Transit Cluster</b>						
Capital Investment Grants	20.500	-	-	59,028,058		59,028,058
Capital Investment Grants - ARRA	20.500	-	-	4,271,449		4,271,449
Formula Grants	20.507	-	-	153,566,917		153,566,917
Federal Stimulus - ARRA	20.507	-	-	36,228,604		36,228,604
<b>Total Federal Transit Cluster</b>					253,095,028	
Federal Transit: Metropolitan Planning Grants	20.505	-	-	9,296,669		9,296,669
Formula Grants for Other Than Urbanized Areas	20.509	-	-	4,311,645		4,311,645
Formula Grants for Other Than Urbanized Areas - ARRA	20.509	-	-	4,195,149		4,195,149
<b>Transit Services Programs Cluster</b>						
Capital Assistance Program for Elderly Persons & Persons with Disabilities	20.513	-	-	1,589,683		1,589,683
Job Access: Reverse Commute	20.516	-	-	412,039		412,039
New Freedom Initiative	20.521	-	-	766,065		766,065
<b>Total Transit Services Programs Cluster</b>					2,767,787	
State & Community Highway Safety	20.600	-	-	7,924,484		7,924,484
National Highway Traffic Safety Administration	20.614	-	-	61,582		61,582
Pipeline Safety	20.700	-	-	311,059		311,059
University Transportation Centers Program	20.701	677,736	-	-		677,736
Research and Innovative Technology Administration	20.701	-	-	27,388		27,388
University Transportation Center						
Interagency Hazardous Materials Public Sector Training & Planning	20.703	-	-	275,480		275,480
RITA Hydrogen	20.704	-	-	1,077,648		1,077,648
Development & Promotion of Ports & Intermodal Transportation	20.801	-	-	10,424		10,424
Pass-Through Mentron Aviation, Inc.	20.NEX001069	18,390	-	-		18,390
	F-800TASK10					
Federal Aviation Administration	20.RD	297,287	-	-		297,287
Federal Highway Administration	20.RD	222,719	-	-		222,719
Federal Motor Carrier Safety Administration	20.RD	135,760	-	-		135,760
National Highway Traffic Safety Administration	20.RD	698,286	-	-		698,286
Other Research & Development	20.RD	11,392	-	-		11,392
Pass-Through American Occupational Therapy	20.RD	3,502	-	-		3,502
Pass-Through National Cooperative Highway Research Program	20.RD	34,232	-	-		34,232
Pass-Through Pennsylvania State University	20.RD	344,347	-	-		344,347
Pass-Through Telvet Farradyne Inc	20.RD	239,898	-	-		239,898
Pass-Through University of Michigan	20.RD	22,555	-	-		22,555
Pass-Through University of Wisconsin	20.RD	72,259	-	-		72,259
Research and Innovative Technology Administration	20.RD	908,832	-	-		908,832
<b>Total Department of Transportation (DOT)</b>		<b>3,829,076</b>	<b>-</b>	<b>803,545,333</b>		<b>807,374,408</b>
<b>DEPARTMENT OF TREASURY (DOTR)</b>						
Pass-Through United Black Fund, Inc.	21.RD	20,175	-	-		20,175
<b>Total Department of Treasury (DOTR)</b>		<b>20,175</b>	<b>-</b>	<b>-</b>		<b>20,175</b>
<b>APPALACHIAN REGIONAL COUNCIL (ARC)</b>						
Appalachian Regional Development	23.001	-	-	64,787		64,787
Appalachian Local Access Roads	23.008	-	-	3,221		3,221
Appalachian State Research, Technical Assistance	23.011	-	-	25,000		25,000
Pass-Through East Tennessee State University	23.011	-	-	4,000		4,000
Pass-Through Frostburg State University Foundation	23.011	-	-	28,834		28,834
Appalachian Regional Commission	23.RD	4,145	-	-		4,145
<b>Total Appalachian Regional Council (ARC)</b>		<b>4,145</b>	<b>-</b>	<b>125,842</b>		<b>129,987</b>
<b>EQUAL EMPLOYMENT OPPORTUNITY COMMITTEE - (EEOC)</b>						
Employment Discrimination: State & Local Fair Employment Practices Agency Contracts	30.002	-	-	326,213		326,213
<b>Total Equal Employment Opportunity Committee (EEOC)</b>		<b>-</b>	<b>-</b>	<b>326,213</b>		<b>326,213</b>
<b>GENERAL SERVICE ADMINISTRATION - (GSA) NON-CASH EXPENDITURE</b>						
Disposal of Federal Surplus Real Property	39.002	-	-	11,960		11,960
Donation of Federal Surplus Property Program	39.003	-	-	178,612		178,612
Help America Vote Act	39.011	-	-	700,199		700,199
Public Buildings Services	39.012	-	-	222,998		222,998
<b>Total General Service Administration (GSA)</b>		<b>-</b>	<b>-</b>	<b>1,113,769</b>		<b>1,113,769</b>
<b>SECTION 1602</b>						
Section 1602 (Monetization) - ARRA	40.Unknown	-	-	21,184,812		21,184,812
<b>Total Section 1602</b>		<b>-</b>	<b>-</b>	<b>21,184,812</b>		<b>21,184,812</b>

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FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>LIBRARY OF CONGRESS</b>						
Contract/Other	42.LCLSC-10P00105	\$ -	\$ -	\$ 16,611		\$ 16,611
Library of Congress	42.RD	129,561	-	-		129,561
Pass-Through University of California, San Diego	42.RD	174,051	-	-		174,051
Pass-Through University of Illinois-Urbana Champagne	42.RD	87,675	-	-		87,675
<b>Total Library of Congress</b>		<b>391,287</b>	<b>-</b>	<b>16,611</b>		<b>407,898</b>
<b>NATIONAL AERONAUTICS &amp; SPACE</b>						
<b>ADMINISTRATION (NASA)</b>						
Aerospace Education Services Program	43.001	-	-	644,915		644,915
Pass-Through Infonetic	43.001	-	-	63		63
Aerospace Education Services Program	43.001	3,207,384	-	-		3,207,384
Technology Transfer	43.002	-	-	12,090		12,090
Pass-Through Northrop Grumman Corporation	43.470	57,387	-	-		57,387
Pass-Through Anne Arundel County Public Schools	43.NNH08-ZNE007N	-	-	43,554		43,554
Contract/Other	43.NNX09-AM90G	55,164	-	-		55,164
NASA	43.RD	73,241,312	-	-		73,241,312
Pass-Through AdTech Photonics, Inc	43.RD	1,852	-	-		1,852
Pass-Through Battelle Memorial Institute	43.RD	9,615	-	-		9,615
Pass-Through Boston University	43.RD	102,498	-	-		102,498
Pass-Through California Institute of Technology	43.RD	14,917	-	-		14,917
Pass-Through California Institute of Technology and the Jet Propulsion Laboratory	43.RD	876,451	-	-		876,451
Pass-Through Carnegie Institute of Washington	43.RD	45,951	-	-		45,951
Pass-Through Colorado State University	43.RD	65,492	-	-		65,492
Pass-Through Columbia University	43.RD	4,710	-	-		4,710
Pass-Through Drexel University	43.RD	11,971	-	-		11,971
Pass-Through Florida Institute of Technology	43.RD	40,928	-	-		40,928
Pass-Through George Mason University	43.RD	30,853	-	-		30,853
Pass-Through Hampton University	43.RD	25,679	-	-		25,679
Pass-Through Institute for Global Environment and Society	43.RD	85,955	-	-		85,955
Pass-Through Johns Hopkins University	43.RD	3,853	-	-		3,853
Pass-Through Johns Hopkins University/Applied Physics Lab	43.RD	154,088	-	-		154,088
Pass-Through Massachusetts Institute of Technology	43.RD	183,063	-	-		183,063
Pass-Through National Institute of Aerospace	43.RD	397,190	-	-		397,190
Pass-Through Oregon State University	43.RD	13,201	-	-		13,201
Pass-Through Planetary Science Institute	43.RD	20,738	-	-		20,738
Pass-Through Princeton University	43.RD	129,688	-	-		129,688
Pass-Through Resources for the Future	43.RD	27,418	-	-		27,418
Pass-Through Science and Engineering Service Inc	43.RD	23	-	-		23
Pass-Through Science Systems & Application, Inc	43.RD	105,128	-	-		105,128
Pass-Through Sigma Space Corporation	43.RD	109,883	-	-		109,883
Pass-Through Smithsonian Astrophysical Observatory	43.RD	18,336	-	-		18,336
Pass-Through South Dakota State University	43.RD	239,354	-	-		239,354
Pass-Through Southwest Research Institute	43.RD	49,642	-	-		49,642
Pass-Through Space Telescope Science Institute	43.RD	248,603	-	-		248,603
Pass-Through Stinger Ghafterian Technologies, Inc.	43.RD	32,952	-	-		32,952
Pass-Through Universities Space Research Association	43.RD	68,164	-	-		68,164
Pass-Through University of Alabama Huntsville	43.RD	60,984	-	-		60,984
Pass-Through University of California at Berkeley	43.RD	27,312	-	-		27,312
Pass-Through University of California, Irvine	43.RD	51,385	-	-		51,385
Pass-Through University of California, Los Angeles	43.RD	70,933	-	-		70,933
Pass-Through University of Central Florida	43.RD	610	-	-		610
Pass-Through University of Colorado	43.RD	128,963	-	-		128,963
Pass-Through University of Michigan	43.RD	87,227	-	-		87,227
Pass-Through University of North Caroline at Chapel Hill	43.RD	11,576	-	-		11,576
Pass-Through University of Utah	43.RD	27,934	-	-		27,934
Pass-Through University of Virginia	43.RD	76,982	-	-		76,982
Pass-Through University of Wisconsin	43.RD	121,840	-	-		121,840
Pass-Through University of Houston	43.RD	7,654	-	-		7,654
Pass-Through Woods Hole Oceanographic Institute	43.RD	15,497	-	-		15,497
<b>Total National Aeronautics &amp; Space Administration (NASA)</b>		<b>80,368,340</b>	<b>-</b>	<b>700,622</b>		<b>81,068,962</b>
<b>NATIONAL FOUNDATION ON THE ARTS &amp; HUMANITIES (NFAH)</b>						
Promotion of the Arts: Grants to Organizations and Individuals	45.024	-	-	69,033		69,033
Pass-Through New England Foundation for the Arts	45.024	-	-	3,577		3,577
Pass-Through Smart Growth Leadership Institute	45.024	-	-	52,661		52,661
Promotion of the Arts: Partnership Agreements	45.025	-	-	1,015,074		1,015,074
Pass-Through Mid-Atlantic Arts Foundation	45.025	-	-	27,879		27,879
Pass-Through Maryland Humanities	45.129	-	-	1,200		1,200
Promotion of the Humanities: Research	45.161	-	-	95,741		95,741
Promotion of the Humanities: Research	45.161	752	-	-		752
Promotion of the Humanities: Seminars and Institutes	45.163	-	-	32,162		32,162
Promotion of the Humanities: Public Programs	45.164	-	-	168,411		168,411
Extending The Reach Grants To Presidentially	45.167	-	-	3,399		3,399
Pass-Through University of Nebraska	45.169	-	-	11,430		11,430
Museum Grants African Amer	45.309	-	-	31,451		31,451

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<b>NATIONAL FOUNDATION ON THE ARTS &amp; HUMANITIES (NFAH) (continued)</b>						
State Library Program	45.310	\$ -	\$ -	\$ 2,535,470		\$ 2,535,470
MathPath	45.312	-	-	7,761		7,761
Institute of Museum and Library Services: National Leadership Grants	45.312	-	-	17,392		17,392
Laura Bush 21 Century Librarian Program	45.313	-	-	157,331		157,331
Institute of Museum and Library Services	45.RD	558,708	-	-		558,708
National Endowment for the Humanities	45.RD	218,237	-	-		218,237
<b>Total National Foundation on the Arts &amp; Humanities (NFAH)</b>		<b>777,697</b>	<b>-</b>	<b>4,229,972</b>		<b>5,007,669</b>
<b>NATIONAL SCIENCE FOUNDATION (NSF)</b>						
Engineering Grants	47.041	-	-	1,177,740		1,177,740
Engineering Grants	47.041	35,491	-	-		35,491
Mathematical and Physical Sciences	47.049	-	-	1,162,024		1,162,024
Pass-Through University of Notre Dame	47.049	-	-	900		900
Mathematical and Physical Sciences	47.049	2,988	-	-		2,988
Anhydrous Fluoride Salts	47.049	-	-	18,479		18,479
National Research Experience for Undergraduates Program	47.049	-	-	25,866		25,866
Mathematical and Physical Sciences - ARRA	47.049	53,344	-	-		53,344
Pass-Through Southwest Research Institute - ARRA	47.049	15,809	-	-		15,809
Geosciences	47.050	-	-	19,419		19,419
Pass-Through Consortium of Universities for the Advancement of Hydrologic Science	47.050	-	-	10,371		10,371
Hyperspec Remote Sensing	47.050	57,774	-	-		57,774
Computer and Information Science and Engineering	47.070	-	-	238,897		238,897
Pass-Through Computing Research Association	47.070	-	-	94,271		94,271
Collaborative Research BPC-ARTSI	47.070	45,071	-	-		45,071
Biological Sciences	47.074	-	-	1,125,427		1,125,427
Pass-Through Cary Institute of Ecosystem Studies	47.074	-	-	170,112		170,112
BHLH Protein Neur Elegan	47.074	14,758	-	-		14,758
Social, Behavioral, and Economic Sciences	47.075	-	-	458,168		458,168
Social, Behavioral, and Economic Sciences - ARRA	47.075	48,492	-	-		48,492
Education and Human Resources	47.076	-	-	8,881,837		8,881,837
Pass-Through Colorado State University	47.076	-	-	210,685		210,685
Pass-Through Community College of Baltimore County	47.076	-	-	588		588
Pass-Through Prince George's Community College	47.076	-	-	20,616		20,616
Pass-Through University System of Maryland Foundation	47.076	-	-	285,846		285,846
Education and Human Resources	47.076	1,123,648	-	-		1,123,648
Education and Human Resources	47.076	-	-	414,024		414,024
International Science & Engineering (OISE)	47.079	-	-	3,606		3,606
Trans-NSF Recovery Act Research Support - ARRA	47.082	4,319,913	-	428,462		4,748,375
Pass-Through Georgetown University - ARRA	47.082	88,819	-	-		88,819
Pass-Through Stanford University - ARRA	47.082	19,100	-	-		19,100
Contract/Other	47.100100921	-	-	1,197		1,197
Contract/Other	47.HDR-0853418	-	-	113,923		113,923
Pass-Through Omic Biosystems Inc	47.IIP0945037	26,681	-	-		26,681
National Science Foundation (NSF)	47.RD	48,582,303	-	-		48,582,303
Pass-Through American Educational Research Association	47.RD	16,319	-	-		16,319
Pass-Through Blue Wave SemiConductors, Inc	47.RD	635	-	-		635
Pass-Through Boston University	47.RD	17,459	-	-		17,459
Pass-Through Carnegie Institution of Washington	47.RD	231,226	-	-		231,226
Pass-Through Case Western University	47.RD	46,094	-	-		46,094
Pass-Through Chesapeake Research Consortium	47.RD	23,192	-	-		23,192
Pass-Through Colorado School of Mines	47.RD	23,702	-	-		23,702
Pass-Through Columbia University	47.RD	69,835	-	-		69,835
Pass-Through Computing Research Association	47.RD	102,744	-	-		102,744
Pass-Through Dartmouth College	47.RD	2,131	-	-		2,131
Pass-Through Education Development Center	47.RD	54,443	-	-		54,443
Pass-Through Gallaudet University	47.RD	34,531	-	-		34,531
Pass-Through Howard University	47.RD	64,419	-	-		64,419
Pass-Through Johns Hopkins University / Applied Physics Lab	47.RD	3,917	-	-		3,917
Pass-Through Lenterra Inc	47.RD	446	-	-		446
Pass-Through Loyola University	47.RD	4,783	-	-		4,783
Pass-Through National Academy of Engineering	47.RD	7,690	-	-		7,690
Pass-Through National Radio Astronomy Observatory	47.RD	3,722	-	-		3,722
Pass-Through New Mexico State University	47.RD	11,043	-	-		11,043
Pass-Through Ohio State University	47.RD	26,012	-	-		26,012
Pass-Through Oregon Health & Science University	47.RD	99,339	-	-		99,339
Pass-Through Pacific Ecoinformatics and Computational Ecology Lab, Inc.	47.RD	14,889	-	-		14,889
Pass-Through Prince George's Community College	47.RD	16,772	-	-		16,772
Pass-Through Purdue University	47.RD	223,865	-	-		223,865
Pass-Through Sarissa Inc(Sarissa Technologies)	47.RD	19,041	-	-		19,041
Pass-Through Siena College	47.RD	51,637	-	-		51,637
Pass-Through SRI International	47.RD	70,298	-	-		70,298
Pass-Through St. Joseph's College of Maine	47.RD	11,693	-	-		11,693
Pass-Through Texas A&M University	47.RD	45,194	-	-		45,194
Pass-Through University of California, Davis	47.RD	20,876	-	-		20,876
Pass-Through University of California, Los Angeles	47.RD	69,724	-	-		69,724
Pass-Through University of Colorado	47.RD	74,662	-	-		74,662
Pass-Through University of Connecticut	47.RD	245	-	-		245

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<b><u>NATIONAL SCIENCE FOUNDATION (NSF) (continued)</u></b>						
Pass-Through University of Indiana	47.RD	\$ 52,062	\$ -	\$ -		\$ 52,062
Pass-Through University of Michigan	47.RD	154,141	-	-		154,141
Pass-Through University of Rhode Island	47.RD	10,827	-	-		10,827
Pass-Through University of Southern California	47.RD	97,543	-	-		97,543
Pass-Through University of Utah	47.RD	150,534	-	-		150,534
Pass-Through University of Wisconsin	47.RD	813,868	-	-		813,868
Pass-Through University of Washington	47.RD	72,993	-	-		72,993
Pass-Through Virginia Commonwealth University	47.RD	122,252	-	-		122,252
Pass-Through Virginia Polytechnic Institute and State University	47.RD	3,089	-	-		3,089
Pass-Through Woods Hole Oceanographic	47.RD	147,625	-	-		147,625
Pass-Through Yale University	47.RD	83,591	-	-		83,591
<b>Total National Science Foundation (NSF)</b>		<b>57,605,294</b>	<b>-</b>	<b>14,862,458</b>		<b>72,467,752</b>
<b><u>SMALL BUSINESS ADMINISTRATION</u></b>						
Contract/Other	59.Unknown	-	-	15,736		15,736
Contract/Other	59.SBAHG-	-	-	156,252		156,252
	08-I-0186					
Pass-Through Baltimore County Department of Economic Development	59.006	-	-	209,822		209,822
Small Business Development Center	59.037	-	-	1,854,224		1,854,224
Program for Investment in Microentrepreneurs Act	59.050	-	-	25,911		25,911
<b>Total Small Business Administration</b>				<b>2,261,945</b>		<b>2,261,945</b>
<b><u>VETERANS ADMINISTRATION (VA)</u></b>						
Contract/Other	64.Unknown	-	-	679		679
Veterans State Domiciliary Care	64.014	-	-	2,910,159		2,910,159
Veterans State Nursing Home Care	64.015	-	-	2,895,403		2,895,403
Burial Expenses Allowances	64.101	-	-	668,463		668,463
Vocational & Educational Counseling for Service Members & Veterans	64.125	-	-	408,755		408,755
State Cemetery Grants	64.203	-	-	2,142,273		2,142,273
Pass-Through PARRA Consulting Group, Inc	64.RD	617	-	-		617
Veterans Health Administration - Research and Development	64.RD	6,421,536	-	-		6,421,536
<b>Total Veterans Administration (VA)</b>		<b>6,422,153</b>	<b>-</b>	<b>9,025,732</b>		<b>15,447,885</b>
<b><u>ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>						
Contract/Other IPA Agreement	66.03-085-	-	-	12,693		12,693
	10-10N	-	-	-		-
Contract/Other	66.X5-	-	-	6,665		6,665
	973763-01-0	-	-	-		-
Poultry Litter Project	66.000	-	-	32,369		32,369
Spec. Purpose Activities	66.034	-	-	687,863		687,863
MD State School Bus Grant Program - ARRA	66.039	-	-	1,019,639		1,019,639
Maryland Clean Diesel	66.040	-	-	99,450		99,450
MD State Clean Diesel Grant Program - ARRA	66.040	-	-	99,300		99,300
Congressionally Mandated Projects	66.202	-	-	65,335		65,335
Environmental Finance Center Grants	66.203	-	-	80,643		80,643
Pass-Through National Fish & Wildlife Foundation	66.439	-	-	125,178		125,178
Water Quality Management Planning	66.454	-	-	204,075		204,075
MDE Water Quality Mgt Planning - ARRA	66.454	-	-	354,104		354,104
Nonpoint Source Implementation Grants	66.460	-	-	2,364,781		2,364,781
Chesapeake Bay Program	66.466	-	-	4,099,597		4,099,597
Capitalization Grants for Drinking Water State Revolving Fund - ARRA	66.468	-	-	188,255		188,255
Operator Certification Expense Reimbursement	66.471	-	-	289,278		289,278
Beach Monitoring & Notification Program Implementation Grants	66.472	-	-	297,694		297,694
Water Protection Grants to the States	66.474	-	-	495		495
MD Regulatory Wetland Program Enhancement	66.479	-	-	137,946		137,946
Pass-Through Resources for the Future	66.509	-	-	21,953		21,953
Greater Research Opportunities (GRO) Fellowships for Undergraduate/Graduate Environ Study	66.513	-	-	4,311		4,311
P3 Award: National Student Design Competition for Sustainability	66.516	-	-	1,881		1,881
Performance Partnership Grants (PPGs)	66.605	-	-	10,132,531		10,132,531
Surveys, Studies, Investigations and Special Purpose Grants	66.606	-	-	190,974		190,974
Environmental Information Exchange Network Grant Program	66.608	-	-	178,786		178,786
Environmental Policy & Innovation Grants	66.611	-	-	49,614		49,614
Consolidated Pesticide Enforcement Cooperative Agreements	66.700	-	-	436,532		436,532
Pollution Prevention Grants Program	66.708	-	-	58,709		58,709
Superfund State Site: Specific Cooperative Agreements	66.802	-	-	688,342		688,342
State & Tribal Underground Storage Tanks Program	66.804	-	-	758,278		758,278
Leaking Underground Storage Tank Program	66.805	-	-	1,180,284		1,180,284
Leaking Underground Storage Tank - ARRA	66.805	-	-	783,650		783,650
Solid Waste Management Assistance	66.808	-	-	1,018		1,018
Superfund State & Indian Tribe Core Program: Cooperative Agreements	66.809	-	-	337,505		337,505
State & Tribal Response Program Grants	66.817	-	-	235,342		235,342
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	-	-	602,472		602,472
Pass-Through American Forest Foundation	66.951	-	-	3,805		3,805
Pass-Through Oak Ridge Institute for Science and Education	66.951	-	-	40,165		40,165
Environmental Education Grants	66.951	-	-	42,521		42,521

STATE OF MARYLAND

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Year Ended June 30, 2010

FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>ENVIRONMENTAL PROTECTION AGENCY (EPA) (continued)</b>						
Office of Administration	66.RD	\$ 93,960	\$ -	\$ -		\$ 93,960
Office of Air and Radiation	66.RD	25,997	-	-		25,997
Office of Pollution Prevention and Toxic Substances	66.RD	30,445	-	-		30,445
Office of Research and Development	66.RD	1,388,649	-	-		1,388,649
Office of Water	66.RD	16,990	-	-		16,990
Pass-Through Johns Hopkins University	66.RD	13,933	-	-		13,933
Pass-Through University of Michigan	66.RD	16,440	-	-		16,440
<b>Total Environmental Protection Agency (EPA)</b>		<b>1,586,414</b>	<b>-</b>	<b>25,914,033</b>		<b>27,500,447</b>
<b>NATIONAL REGULATORY COMMISSION (NRC)</b>						
US Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	-	-	385		385
US Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008	-	-	103,645		103,645
Other National Regulatory Commission – Research and Development	77.RD	312,553	-	-		312,553
<b>Total National Regulatory Commission (NRC)</b>		<b>312,553</b>	<b>-</b>	<b>104,030</b>		<b>416,583</b>
<b>DEPARTMENT OF ENERGY (DOE)</b>						
Contract/Other	81.DE-FG02-07ER64339	61,918	-	-		61,918
Contract/Other	81.DE-FG02-08CH11527	154,808	-	-		154,808
Contract/Other	81.DE-SC0002178	20,465	-	-		20,465
State Energy Program	81.041	-	-	476,000		476,000
State Energy Conservation Program	81.041	-	-	4,855,076		4,855,076
Construction and Energy Technology Education Consortium	81.041	-	-	75,012		75,012
Weatherization Assistance for Low-Income Persons	81.042	-	-	2,655,352		2,655,352
Office of Science Financial Assistance Program	81.049	-	-	414,176		414,176
Office of Science Financial Assistance Program - ARRA	81.049	4,806	-	-		4,806
University Coal Research	81.057	119,233	-	-		119,233
Conservation Research & Development	81.086	-	-	110,240		110,240
Renewable Energy Research & Development	81.087	-	-	27,991		27,991
State Heating & Propane Programs	81.090	-	-	10,000		10,000
Energy Efficiency & Renewable Energy	81.117	-	-	10,000		10,000
State Energy Program Special Projects	81.119	-	-	549,955		549,955
Nuclear Energy Research, Development and Demonstration	81.121	-	-	6,175		6,175
Technology Transfer Activities	81.121	-	-	198,027		198,027
Electricity Delivery & Energy Reliability - ARRA	81.122	-	-	57,674		57,674
EE Appliance Rebate Program	81.127	-	-	1,891,049		1,891,049
Energy Efficiency & Conservation Block Grant Program -ARRA	81.128	-	-	11,475,074		11,475,074
Pass-Through GE Global Research	81.400	42,510	-	-		42,510
Pass-Through General Electric Company	81.700	74,710	-	-		74,710
Pass-Through AccuStrata, Inc - ARRA	81.Contract No 09122951	22,583	-	-		22,583
Pass-Through Battelle Corporation - ARRA	81.Contract No 114480	25,457	-	-		25,457
Pass-Through Brookhaven National Laboratory - ARRA	81.Contract No 158983	2,619	-	-		2,619
Pass-Through General Atomics	81.N1009080803	22,064	-	-		22,064
Office of Science	81.RD	9,397,015	-	-		9,397,015
Other Department of Energy – Research and Development	81.RD	1,654,791	-	-		1,654,791
Pass-Through Argonne National Lab	81.RD	39,998	-	-		39,998
Pass-Through Battelle Corporation	81.RD	41,965	-	-		41,965
Pass-Through Brown University	81.RD	115	-	-		115
Pass-Through Iowa State University	81.RD	44,622	-	-		44,622
Pass-Through Sandia National Labs	81.RD	107,834	-	-		107,834
Pass-Through Stanford University	81.RD	41,639	-	-		41,639
Pass-Through Tulane University	81.RD	98,233	-	-		98,233
Pass-Through University of California Lawrence Livermore Lab	81.RD	23,369	-	-		23,369
Pass-Through University of Michigan	81.RD	55,991	-	-		55,991
Pass-Through University of Texas - Austin	81.RD	20,644	-	-		20,644
Pass-Through University of Virginia	81.RD	93,019	-	-		93,019
<b>Total Department of Entergy (DOE)</b>		<b>12,170,408</b>	<b>-</b>	<b>22,811,801</b>		<b>34,982,209</b>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)</b>						
Contract/Other	83.Unknown	-	-	34,902		34,902
College Access Challenge Grant Program	83.378	-	-	791,629		791,629
Title XIX	83.778	-	-	4,919,876		4,919,876
<b>Total Federal Emergency Management Agency (FEMA)</b>		<b>-</b>	<b>-</b>	<b>5,746,407</b>		<b>5,746,407</b>
<b>DEPARTMENT OF EDUCATION (ED)</b>						
Contract/Other	84.ED-04-CO-0137	-	-	1,220		1,220
Contract/Other	84.unknown	-	-	187,917		187,917
Adult Education - State Grant Program	84.002	-	-	9,370,538		9,370,538
<b>Student Financial Assistance Cluster (SFA)</b>						
Federal Supplemental Educational Opportunity Grants	84.007	-	7,379,734	-		7,379,734
Federal Family Educational Loans	84.032	-	184,653,032	-		184,653,032
Federal Family Educational Loan	84.032	-	11,177,227	-		11,177,227

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FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF EDUCATION (ED) (continued)</b>						
<b>Student Financial Assistance Cluster (SFA) (continued)</b>						
Federal Work-Study Program	84.033	\$ -	\$ 8,164,840	\$ -		\$ 8,164,840
Federal Perkins Loan Program: Federal Capital Contributions	84.038	-	72,404,547	-		72,404,547
Federal Pell Grant Program	84.063	-	132,133,338	-		132,133,338
Federal Direct Student Loans	84.268	-	649,479,802	-		649,479,802
Academic Competitiveness Grants	84.375	-	1,188,639	-		1,188,639
National Science and Mathematics Access to Retain Talent (Smart) Grants	84.376	-	1,419,625	-		1,419,625
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	-	328,255	-		328,255
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	-	11,785,953	-		11,785,953
Nursing Student Loans	93.364	-	1,894,364	-		1,894,364
<b>Total SFA Cluster</b>					1,082,009,356	
<b>Title I, Part A Cluster</b>						
Title I Part A - Title I Grants to Local Education Agencies	84.010	-	-	201,335,131		201,335,131
Title I Part A - Grants to LEAS - ARRA	84.389	-	-	53,923,501		53,923,501
<b>Total Title I, Part A Cluster</b>					255,258,632	
Migrant Education: State Grant Program	84.011	-	-	571,801		571,801
Title I Program for Neglected & Delinquent Children	84.013	-	-	1,973,869		1,973,869
International: Overseas: Group Projects Abroad	84.021	-	-	111,719		111,719
Idea - Part E Innovation & Development	84.023	-	-	283,742		283,742
<b>Special Education Cluster (IDEA)</b>						
Special Education: Grants to States	84.027	-	-	199,407,314		199,407,314
D.O.R.S. Transition Grant - ARRA	84.027	-	-	54,576		54,576
Special Education: Grants to States	84.027	-	-	34,276		34,276
Pass-Through Government of the District of Columbia - ARRA	84.027	-	-	213,474		213,474
Special Education: Preschool Grants	84.173	-	-	5,882,222		5,882,222
Special Education Grants to State - ARRA	84.391	-	-	73,608,913		73,608,913
IDEA - Part B - Preschool Grants - ARRA	84.392	-	-	1,768,038		1,768,038
<b>Total IDEA Cluster</b>					280,968,813	
Higher Education Institutional Aid	84.031	-	-	15,280,158		15,280,158
Higher Education Institutional Aid	84.031	-	8,153,110	-		8,153,110
Higher Education Institutional Aid	84.031	-	-	92,234		92,234
Federal Perkins Loan Cancellations	84.037	-	-	646,665		646,665
Federal Perkins Loan Cancellations	84.037	-	15,430	-		15,430
<b>TRIO Cluster</b>						
TRIO: Student Support Services	84.042	-	-	2,223,975		2,223,975
TRIO: Talent Search	84.044	-	-	915,150		915,150
TRIO: Upward Bound	84.047	-	-	4,018,885		4,018,885
TRIO: Educational Opportunity Centers	84.066	-	-	283,679		283,679
TRIO: McNair Post - Baccalaureate Achievement	84.217	-	-	706,847		706,847
<b>Total TRIO Cluster</b>					8,148,536	
Vocational Education: Basic Grants to States	84.048	-	-	14,972,401		14,972,401
Leveraging Educational Assistance Partnership	84.069	-	-	1,303,446		1,303,446
Fund for the Improvement of Postsecondary Education	84.116	-	-	696,759		696,759
Video Cases for Novice College Mathematics Instructors	84.116B	-	-	3,108		3,108
Fund for the Improvement of Postsecondary Education	84.116Z	-	-	76,069		76,069
Minority Science and Engineering Improvement	84.120	-	-	756		756
<b>Vocational Rehabilitation Cluster</b>						
Rehabilitation Services: Vocational Rehab. Grants to States	84.126	-	-	37,612,852		37,612,852
Vocational Rehab. Grants - ARRA	84.390	-	-	4,515,983		4,515,983
<b>Total Vocational Rehabilitation Cluster</b>					42,128,835	
Rehabilitation Long-Term Training	84.129	-	-	379,201		379,201
National Institute on Disability and Rehabilitation Research	84.133	-	-	439,120		439,120
Migrant Education Coordination Program	84.144	-	-	205,163		205,163
Business and International Education Projects	84.153	-	-	23,256		23,256
Rehabilitation Services: Client Assistance Program	84.161	-	-	169,307		169,307
Independent Living: State Grants	84.169	-	-	441,443		441,443
<b>Early Intervention Services Cluster (IDEA)</b>						
Special Education: Grants for Infants & Families with Disabilities	84.181	-	-	6,656,908		6,656,908
IDEA Part C - Infants & Families - ARRA	84.393	-	-	3,186,754		3,186,754
<b>Total IDEA Part C Cluster</b>					9,843,662	
Safe & Drug-Free Schools & Communities National Programs	84.184	-	-	634,130		634,130
Safe & Drug-Free Schools & Communities: State Grants	84.186	-	-	3,215,501		3,215,501
Supported Employment Services for Individuals with Severe Handicaps	84.187	-	-	290,267		290,267
Bilingual Education: Professional Development	84.195	-	-	304,137		304,137
Education of Homeless Children & Youth	84.196	-	-	912,285		912,285
Graduate Assistance in Areas of National Need	84.200	-	-	721,490		721,490
Javits G/T	84.206	-	-	40,160		40,160
Even Start: State Educational Agencies	84.213	-	-	917,764		917,764
Fund for the Improvement of Education	84.215	-	-	20,202		20,202
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	-	359,918	-		359,918
Fund for the Improvement of Education	84.215	-	-	308,075		308,075
Pass-Through Anne Arundel County Public Schools	84.215	-	-	89,438		89,438
Pass-Through Baltimore City Public Schools	84.215	-	-	209,216		209,216
Pass-Through Howard Co Public Schools	84.215	-	-	131,575		131,575
Fund for the Improvement of Education (continued)						
Pass-Through Baltimore County Public Schools	84.215	12,640	-	-		12,640
Centers for International Business Education	84.220	-	-	386,853		386,853

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FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>DEPARTMENT OF EDUCATION (ED) (continued)</b>						
Assistive Technology	84.224	\$ -	\$ -	\$ 544,280		\$ 544,280
Rehabilitation Services Demonstrative & Training	84.235	-	-	469,996		469,996
Tech - Prep Education	84.243	-	-	1,532,508		1,532,508
Foreign Languages Assistance	84.249	-	-	499		499
Rehabilitation Training: State Vocational Rehabilitation Unit In-Service Training	84.265	-	-	217,409		217,409
Pass-Through United Negro College Fund	84.269	-	-	113,524		113,524
The Charter School Program	84.282	-	-	3,533,311		3,533,311
Twenty-First Century Community Learning Centers	84.287	-	-	15,388,762		15,388,762
Innovative Education Program Strategies	84.298	-	-	362,425		362,425
<b>Education Technology States Cluster</b>						
Technology Literacy Challenge Fund Grants	84.318	-	-	3,970,869		3,970,869
Education Technology - ARRA	84.386	-	-	62,059		62,059
<b>Total Education Technology States Cluster</b>					4,032,928	
SPED: State Program Improvement Grants for Children with Disabilities	84.323	-	-	796,083		796,083
SPED: Personnel Preparation to Improve Services & Results for Children with Disabilities	84.325	-	-	2,654,438		2,654,438
SPED: Tech Assist. & Dissemination to Improve Services & Results for Children with Disabilities	84.326	-	-	154,577		154,577
Advanced Placement Incentive Program	84.330	-	-	1,104,563		1,104,563
Grants to States for Incarcerated Youth Offenders	84.331	-	-	198,751		198,751
Gaining Early Awareness & Readiness for Undergraduate Programs	84.334	-	-	3,341,350		3,341,350
Child Care Access Means Parents in School	84.335	-	-	53,676		53,676
Teacher Quality Enhancement Grants	84.336	-	-	416,028		416,028
Underground Railroad Education & Cultural Program	84.345	-	-	19,967		19,967
Transition to Teaching	84.350	-	-	218,294		218,294
Reading First State Grants	84.357	-	-	7,486,779		7,486,779
English Language Acquisition Grants	84.365	-	-	8,445,688		8,445,688
Mathematics & Science Partnerships	84.366	-	-	1,984,319		1,984,319
Pass-Through State of Delaware	84.366	-	-	40,525		40,525
Improving Teacher Quality State Grants	84.367	-	-	38,120,461		38,120,461
Pass-Through State of Delaware	84.367	-	-	67,841		67,841
Improving Teacher Quality State Grants	84.367	-	-	120,207		120,207
Grants for State Assessments & Related Activities	84.369	-	-	8,261,370		8,261,370
Statewide Longitudinal Data System	84.372	-	-	1,885,378		1,885,378
Gen Super Enhancement	84.373	-	-	544,410		544,410
School Improvement Grants	84.377	-	-	4,295,039		4,295,039
College Intervention Prep. Program	84.378A	-	-	72,485		72,485
Strengthening Minority-Servicing Institutions	84.382	-	-	8,384		8,384
Homeless Youth & Children - ARRA	84.387	-	-	211,463		211,463
School Improvement Grants - ARRA	84.388	-	-	210,001		210,001
<b>State Fiscal Stabilization Fund Cluster (SFSF)</b>						
State Fiscal Stabilization Fund - Education State Grants - ARRA	84.394	-	-	271,228,457		271,228,457
State Fiscal Stabilization Fund - Government Services - ARRA	84.397	-	-	79,573,888		79,573,888
<b>Total SFSF Cluster</b>					350,802,345	
Independent Living -ARRA	84.398	-	-	77,833		77,833
Independent Living Services for Older Individuals Who are Blind - ARRA	84.399	-	-	448,147		448,147
Pass-Through National Writing Project Corporation	84.928	-	-	23,889		23,889
Pass-Through University of California	84.928	-	-	94,781		94,781
2004 Unsolicited Grants	84.955	-	-	290,029		290,029
Institute of Education Sciences	84.RD	1,060,620	-	-		1,060,620
Pass-Through Board of Education of Howard County	84.RD	35,168	-	-		35,168
Pass-Through Boston University	84.RD	7,675	-	-		7,675
Pass-Through Bridges Public Charter School	84.RD	30,654	-	-		30,654
Pass-Through Carnegie-Mellon University	84.RD	78,752	-	-		78,752
Pass-Through Georgia Tech Research Corp	84.RD	4,636	-	-		4,636
Pass-Through National Public Radio	84.RD	29,920	-	-		29,920
Pass-Through Office of State Superintendent of Education (Washington, DC)	84.RD	12,726	-	-		12,726
Institute of Education Sciences (continued)						
Pass-Through University of Colorado, Denver	84.RD	21,176	-	-		21,176
Postsecondary Education	84.RD	1,098,625	-	-		1,098,625
Special Education and Rehabilitative Services	84.RD	101,256	-	-		101,256
<b>Total Department of Education (ED)</b>		<u>2,493,848</u>	<u>1,090,537,814</u>	<u>1,110,404,205</u>		<u>2,203,435,868</u>
<b>SMITHSONIAN INSTITUTION</b>						
Contract/Other	85.T08CC10105	33,368	-	-		33,368
Rehab ACT of 1973 - ILS for OBI	85.177	-	-	202,312		202,312
Smithsonian Institution Fellowship Program	85.601	-	-	2,344		2,344
<b>Total Smithsonian Institution</b>		<u>33,368</u>	<u>-</u>	<u>204,656</u>		<u>238,024</u>
<b>NATIONAL ARCHIVES &amp; RECORDS ADMINISTRATION</b>						
National Archives and Records Administration - Research and Development	89.RD	285,359	-	-		285,359
<b>Total National Archives &amp; Records Administration</b>		<u>285,359</u>	<u>-</u>	<u>-</u>		<u>285,359</u>
<b>ELECTION ASSISTANCE COMMISSION (EAC)</b>						
Help America Vote Act	90.401	-	-	7,741,850		7,741,850
Election Assistance Commission - Research & Development	90.RD	2,767	-	-		2,767
<b>Total Election Assistance Commission (EAC)</b>		<u>2,767</u>	<u>-</u>	<u>7,741,850</u>		<u>7,744,617</u>

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FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b>US INSTITUTE OF PEACE</b>						
United States Institute of Peace - Research & Development	91.RD	\$ 6,802	\$ -	\$ -		\$ 6,802
<b>Total US Institute of Peace</b>		<u>6,802</u>	<u>-</u>	<u>-</u>		<u>6,802</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)</b>						
Contract/Other	93.000	-	-	1,674,714		1,674,714
Contract/Other	93.Unknown	-	-	7,516		7,516
Cooperative Agreements to Improve the Health Status of Minority Populations	93.004	54,275	-	-		54,275
Minority Health State Partnership	93.006	-	-	215,580		215,580
Medical Reserve Corp Small Grant Program	93.008	-	-	483		483
Pass-Through National Association of Counties and Cities	93.008	-	-	2,629		2,629
Programs for Prevention of Elder Abuse	93.041	-	-	422,178		422,178
Long Term Care Ombudsman Services for Older Individuals	93.042	-	-	129,553		129,553
Special Programs for the Aging: Title III, Part F: Disease Prevention & Health Promotion Services	93.043	-	-	361,152		361,152
<b>Aging Cluster</b>						
Special Programs for the Aging: Title III, Part B: Grants for Supportive Services & Senior Centers	93.044	-	-	6,813,661		6,813,661
Special Programs for the Aging: Title III, Part C: Nutrition Services	93.045	-	-	10,398,871		10,398,871
Nutrition Services Incentive Program	93.053	-	-	1,890,225		1,890,225
Aging Home-Delivered Nutrition Services for States - ARRA	93.705	-	-	595,196		595,196
Aging Congregate Nutrition Services for States - ARRA	93.707	-	-	1,036,467		1,036,467
<b>Total Aging Cluster</b>					20,734,420	
Special Programs for the Aging: Title IV: Training, Research & Discretionary Projects & Programs	93.048	-	-	412,730		412,730
Nation Family Caregiver Support Program	93.052	-	-	2,442,275		2,442,275
Public Health Emergency Preparedness	93.069	-	-	31,316,853		31,316,853
Asthma - From a Public Health Perspective	93.070	-	-	352,867		352,867
Pass-Through Insight Policy Research	93.08112393	13,434	-	-		13,434
Healthy Marriage Promotion & Responsible Fatherhood Grants	93.086	-	-	978,860		978,860
Pass-Through Cecil County Department of Social Services	93.086	-	-	12,000		12,000
ASPAR-ESAR/VHP	93.089	-	-	14,765		14,765
Food & Drug Administration Research	93.103	-	-	142,818		142,818
Comprehensive Community Mental Health Services for SED	93.104	-	-	575,099		575,099
Pass-Through Science Applications International Corporation (SAIC) - Frederick	93.10SX062	80,423	-	-		80,423
Maternal & Child Health Federal Consolidated Programs	93.110	-	-	215,201		215,201
Environmental Health	93.113	4,000	-	-		4,000
Project Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	-	-	1,230,229		1,230,229
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	-	-	100		100
Oral Diseases and Disorders Research - ARRA	93.121	218,127	-	-		218,127
Emergency Medical Services for Children	93.127	-	-	111,210		111,210
Primary Care Services: Resource Coordination & Development: Primary Care Offices	93.130	-	-	245,946		245,946
Injury Prevention & Control Research & State & Community Based Programs	93.136	-	-	1,357,181		1,357,181
Project for Assistance in Transition From Homelessness - (PATH)	93.150	-	-	1,100,387		1,100,387
Coordinated HIV Services & Access to Research for Children, Youth, Women & Families	93.153	-	-	1,451,075		1,451,075
Grants for State Loan Repayments	93.165	-	-	250,000		250,000
Human Genome Research - ARRA	93.172	297,329	-	-		297,329
Research related to Deafness and Communication Disorders	93.173	-	-	342,037		342,037
Research related to Deafness and Communication Disorders - ARRA	93.173	79,178	-	-		79,178
Nursing Workforce Diversity	93.178	-	-	293,304		293,304
Childhood Lead Poisoning Prevention & Surveillance of Blood Lead Levels in Children	93.197	-	-	911,834		911,834
Family Planning: Services	93.217	-	-	4,922,942		4,922,942
Research on Healthcare Costs, Quality and Outcomes	93.226	118,754	-	-		118,754
Consolidated Knowledge Development and Application (KD&A) Program	93.230	-	-	83,676		83,676
National Center on Sleep Disorders - ARRA	93.233	62,206	-	-		62,206
Mental Health Research Grants	93.242	-	-	22,565		22,565
Mental Health Research Grants	93.242	28,864	-	-		28,864
Mental Health Research Grants - ARRA	93.242	88,761	-	-		88,761
Substance Abuse & Mental Health Services	93.243	-	-	3,400,767		3,400,767
Pass-Through Morehouse University School of Medicine	93.243	-	-	7,583		7,583
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	-	-	62,587		62,587
Substance Abuse and Mental Health Services	93.243	1,076	-	-		1,076
Advance Nursing Education Grant Program	93.247	-	-	428,835		428,835
Universal Newborn Hearing Screening	93.251	-	-	165,076		165,076
Pass-Through Morehouse University	93.260	-	-	111,372		111,372
Nurse Faculty Loan Program (NFLP)	93.264	-	-	95,852		95,852
Nurse Faculty Loan Program (NFLP) - ARRA	93.264	-	-	7,217		7,217
<b>Immunization Grants Cluster</b>						
Immunization Grants	93.268	-	-	4,138,067		4,138,067
Emerging Infections Sect. 317 Immune - ARRA	93.712	-	-	800,182		800,182
<b>Total Immunization Grants Cluster</b>					4,938,249	

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<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>						
Drug Free Communities Support Program	93.276	\$ -	\$ -	\$ 189,510		\$ 189,510
Drug Free Communities Support Program Grants	93.276	-	-	2,974,146		2,974,146
Pass-Through Monroe County Sheriff's Office	93.276	-	-	64,810		64,810
Career Development Awards	93.277	-	-	32,630		32,630
Drug Abuse National Research Service Awards for Research Training	93.278	-	-	89,194		89,194
Drug Abuse Research Programs: Pass-Through Louisiana State University	93.279	-	-	63,480		63,480
Drug Abuse Research Programs (supplemental funding from American Recovery and Reinvestment Act)	93.279	191,103	-	-		191,103
Drug Abuse Research Programs - ARRA	93.279	-	-	5,548		5,548
Pass-Through Science Applications International Corporation (SAIC)	93.279	23,522	-	-		23,522
Mental Health National Research Service Awards for Research Training	93.282	275,423	-	-		275,423
Center for Disease Control & Prevention: Investigations & Tech Assistance	93.283	-	-	96,927		96,927
Center for Disease Control & Prevention: Investigation & Tech Assistance	93.283	21,199	-	11,760,400		11,760,400
Technological Innovations to Improve Human Health	93.286	108,564	-	-		108,564
Discovery and Applied Research - ARRA	93.286	564,281	-	-		564,281
Small Rural Hospital Improvement Grants	93.301	-	-	27,301		27,301
Laboratory Animal Sciences & Primate Research - ARRA	93.306	86,717	-	-		86,717
Minority Health and Health Disparities Research	93.307	562,359	-	-		562,359
Advanced Education Nursing Traineeships	93.358	-	-	327,742		327,742
Nurse Education Practice and Retention Grants	93.359	-	-	230,511		230,511
Nursing Research - ARRA	93.361	99,250	-	-		99,250
Minority Research Training	93.375	190,944	-	-		190,944
Research Infrastructure	93.389	-	-	2,255		2,255
National Center For Research Resources	93.389	85,339	-	-		85,339
Cancer Cause & Prevention Research - ARRA	93.393	86,939	-	-		86,939
Cancer Treatment Research - ARRA	93.395	146,035	-	-		146,035
Cancer Biology Research	93.396	-	-	12,101		12,101
Cancer Centers Support Grants - ARRA	93.397	158,719	-	-		158,719
Cancer Research Manpower - ARRA	93.398	55,832	-	-		55,832
Cancer Control - ARRA	93.399	99,553	-	-		99,553
State Loan Repayment Program - ARRA	93.402	-	-	50,000		50,000
Scholarships for Disadvantage Students - ARRA	93.407	-	-	155,628		155,628
Nurse Faculty Loan Program - ARRA	93.408	6,495	-	-		6,495
State Primary Care Offices - ARRA	93.414	-	-	6,172		6,172
Food Safety & Security Monitoring Project	93.448	-	-	227,025		227,025
Promoting Safe & Stable Families	93.556	-	-	2,968,917		2,968,917
<b>Temporary Assistance for Needy Families Cluster (TANF)</b>						
Temporary Assistance for Needy Families	93.558	-	-	221,725,598		221,725,598
Temporary Assistance for Needy Families - ARRA	93.558	-	-	34,667,668		34,667,668
Temporary Assistance for Needy Families - ARRA	93.714	-	-	43,700,000		43,700,000
<b>Total TANF Cluster</b>					300,093,266	
Child Support Enforcement (CSE)	93.563	-	-	38,913,917		38,913,917
Child Support Enforcement (CSE) - ARRA	93.563	-	-	52,385,828		52,385,828
Child Support Enforcement Research	93.564	-	-	206,248		206,248
Refugee & Entrant Assistance: State Administered Programs	93.566	-	-	8,310,178		8,310,178
Refugee & Entrant Assistance: State Administered Programs	93.566	-	-	505,510		505,510
Low-Income Home Energy Assistance (LIHEAP)	93.568	-	-	81,664,618		81,664,618
Community Services Block Grant (CSBG)	93.569	-	-	7,389,715		7,389,715
Community Services Block Grant - ARRA	93.569	-	-	10,186,955		10,186,955
Community Services Block Grant: Discretionary Awards	93.570	-	-	1,110		1,110
Refugee & Entrant Assistance: Discretionary Grants	93.576	-	-	265,765		265,765
Refugee & Entrant Assistance: Discretionary Grants	93.576	-	-	50,346		50,346
Refugee & Entrant Assistance- Targeted Assistance	93.584	-	-	929,712		929,712
State Court Improvement Program	93.586	-	-	311,873		311,873
<b>Child Care and Development Fund Cluster (CCDF)</b>						
Child Care and Development Block Grant	93.575	-	-	25,190,093		25,190,093
Pass-through Chesapeake Community College - MD Child Care Center	93.575	-	-	11,558		11,558
Child Care and Matching Funds of the Child Care and Development Fund	93.596	-	-	48,997,526		48,997,526
Child Care and Development Block Grant - ARRA	93.713	-	-	17,523,715		17,523,715
Pass-Through Maryland Family Network - ARRA	93.713	-	-	4,519		4,519
<b>Total CCDF Cluster</b>					91,722,892	
Grants to States for Access & Visitation Programs	93.597	-	-	165,532		165,532
Education & Training Vouchers	93.599	-	-	1,225,230		1,225,230
Head Start	93.600	-	-	442,944		442,944
Head Start	93.600	1,883,939	-	-		1,883,939
Family Kinship Connection	93.605	-	-	201,731		201,731
Basic Center Grant for Runaway & Homeless Youth	93.623	-	-	202,409		202,409
Development Disabilities Basic Support & Advocacy Grants	93.630	-	-	894,342		894,342
Children's Justice Grants to States	93.643	-	-	1,434,637		1,434,637
Child Welfare Services: State Grants	93.645	-	-	4,395,815		4,395,815
Social Services Research & Demonstration	93.647	-	-	238,789		238,789
Keep	93.652	-	-	371,200		371,200
Foster Care: Title IV-E	93.658	-	-	71,030,410		71,030,410
Foster Care: Title IV-E - ARRA	93.658	-	-	4,554,723		4,554,723
Adoption Assistance	93.659	-	-	19,776,323		19,776,323
Adoption Assistance - ARRA	93.659	-	-	2,736,873		2,736,873
Social Services Block Grant - (SSBG)	93.667	-	-	54,231,518		54,231,518
Child Abuse & Neglect State Grants	93.669	-	-	382,303		382,303
Child Abuse and Neglect Discretionary Activities - ARRA	93.670	2,505	-	-		2,505

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<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>						
Family Violence Prevention & Service/Grants for Battered Women's Shelters: States & Indian Tribes	93.671	\$ -	\$ -	\$ 1,601,758		\$ 1,601,758
Chafee Foster Care Independent Living	93.674	-	-	4,321,387		4,321,387
Trans-NIH Recovery Act Research Support	93.701	360	-	-		360
Animal Model of Dual Diagnosis	93.701	-	-	32,170		32,170
National Center for Research Resources, Recovery Act Construction Support - ARRA	93.701	99,488	-	-		99,488
Recovery Act Research Support - ARRA	93.701	2,668,079	-	-		2,668,079
Pass-Through Boston University - ARRA	93.701	35,843	-	-		35,843
Pass-Through Medical University of South Carolina - ARRA	93.701	23,373	-	-		23,373
Pass-Through Michigan Technological Institute - ARRA	93.701	46,485	-	-		46,485
Pass-Through Tufts University - ARRA	93.701	4,336	-	-		4,336
Pass-Through University of Michigan - ARRA	93.701	105,330	-	-		105,330
Pass-Through University of Missouri - ARRA	93.701	29,364	-	-		29,364
Trans-NIH Recovery Act Research Support - ARRA	93.701	11,567,153	-	83,494		11,650,647
Ambulatory Surgical CTR Healthcare - ARRA	93.717	-	-	602,249		602,249
State Health Information Exchange - ARRA	93.719	-	-	606,451		606,451
Nutrition & Physical Activity & Tobacco - ARRA	93.723	-	-	50,208		50,208
CDSMP - Recovery Act	93.725	-	-	28,904		28,904
Children's Health Insurance Program (CHIP)	93.767	-	-	153,837,884		153,837,884
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93.768	-	-	618,915		618,915
<b>Medicaid Cluster</b>						
State Medicaid Fraud Control Units	93.775	-	-	1,707,629		1,707,629
State Survey & Certification of Health Care Providers & Suppliers	93.777	-	-	6,364,393		6,364,393
Medical Assistance Program (Medicaid)	93.778	-	-	3,592,506,528		3,592,506,528
Medical Assistance Program - ARRA	93.778	-	-	785,704,162		785,704,162
<b>Total Medicaid Cluster</b>					4,386,282,712	
Center for Medicare & Medicaid Services (CMS) Research, Demonstrations & Evaluations	93.779	-	-	23,669,321		23,669,321
Centers for Medicare and Medicaid Services	93.779	5,230	-	-		5,230
Alternatives to Psychiatric Residential Treatment Facilities for Children	93.789	-	-	815,643		815,643
Alternate Non-Emergency Service Providers or Networks	93.790	-	-	873,748		873,748
Medicaid Transformation Grants	93.793	-	-	106,812		106,812
Cardiovascular Diseases Research	93.837	-	-	90,785		90,785
Cardiovascular Diseases Research - ARRA	93.837	10,572	-	-		10,572
Blood Diseases and Resources Research - ARRA	93.839	222,218	-	-		222,218
Arthritis, Musculoskeletal and Skin Diseases Research - ARRA	93.846	80,408	-	-		80,408
Diabetes, Digestive, and Kidney Diseases Extramural Research - ARRA	93.847	324,134	-	-		324,134
Digestive Diseases and Nutrition Research	93.848	-	-	53,791		53,791
Digestive Diseases and Nutrition Research - ARRA	93.848	320,741	-	-		320,741
Kidney Diseases, Urology and Hematology Research - ARRA	93.849	184,054	-	-		184,054
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	-	23,072		23,072
Extramural Research Programs in the Neurosciences and Neurological Disorders - ARRA	93.853	116,469	-	-		116,469
Allergy, Immunology, & Transplantation Research	93.855	-	-	187,352		187,352
Allergy, Immunology, & Transplantation Research - ARRA	93.855	1,262,491	-	-		1,262,491
Microbiology and Infectious Diseases Research - ARRA	93.856	306,459	-	-		306,459
Biomedical Research and Research	93.859	-	-	1,279,251		1,279,251
Pass-Through American Psychological Association	93.859	-	-	1,640		1,640
Biomedical Research and Research	93.859	755,150	-	-		755,150
Biomedical Research and Research - ARRA	93.859	248,115	-	-		248,115
Center for Research for Mothers and Children	93.865	-	-	1,748		1,748
Child Health and Human Development Extramural Research	93.865	84,886	-	-		84,886
Center for Research for Mothers and Children - ARRA	93.865	16,986	-	-		16,986
Aging Research	93.866	-	-	269,164		269,164
Aging Research - ARRA	93.866	195,934	-	-		195,934
Vision Research	93.867	81,276	-	-		81,276
National Bioterrorism Hospital Preparedness	93.889	-	-	11,180,595		11,180,595
Family and Community Violence Prevention Program	93.910	-	-	96,929		96,929
Rural Health Outreach - Rural Network Development Program	93.912	-	-	90,499		90,499
Grants to States for Operation of Offices of Rural Health	93.913	-	-	155,191		155,191
HIV Emergency Relief Project Grants	93.914	-	-	292,215		292,215
HIV RW Part A-Med Case Management-F5720-3/1/10-2/28/11	93.915	-	-	23,912		23,912
HIV RW Part A-HIV-EFA-Med-F2800-3/1/10-2/28/11	93.916	-	-	1,239		1,239
HIV Care Formula Grants	93.917	-	-	38,534,329		38,534,329
Public Health Service ACT - AIDS	93.938	-	-	281,151		281,151
HIV Prevention Activities: Health Department Based	93.940	-	-	13,685,715		13,685,715
HIV Demonstration, Research, Public & Professional Education	93.941	-	-	124,485		124,485
HIV Demonstration, Research, Public & Professional Education	93.941	95,662	-	-		95,662
HIV/AIDS Surveillance	93.944	-	-	1,289,792		1,289,792
Pregnancy Risk Assessment	93.946	-	-	157,198		157,198
Block Grants for Community Mental Health Services	93.958	-	-	7,679,992		7,679,992
Block Grants for Prevention & Treatment of Substance Abuse	93.959	-	-	29,875,454		29,875,454
Preventive Health Services: Sexually Transmitted Diseases Control Grants	93.977	-	-	1,361,599		1,361,599
Cooperative Agreements for State-Based Diabetes Control Programs & Evaluation of Surveillance Systems	93.988	-	-	4,982		4,982
International Research & Research Training - ARRA	93.989	13,691	-	-		13,691
Preventative Health & Health Services Block Grant	93.991	-	-	1,824,641		1,824,641
Maternal & Child Health Services Block Grant to the States	93.994	-	-	11,701,751		11,701,751

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<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>						
Administration for Children and Families	93.RD	\$ 1,334,962	\$ -	\$ -		\$ 1,334,962
Agency for Health Care Policy and Research	93.RD	158,387	-	-		158,387
Agency for Health Care Research and Quality	93.RD	28,092	-	-		28,092
Center for Disease Control and Prevention	93.RD	53,963,919	-	-		53,963,919
Centers for Medicare and Medicaid Services	93.RD	15,890	-	-		15,890
Food and Drug Administration	93.RD	2,140,315	-	-		2,140,315
Health Resources and Services Administration	93.RD	2,715,445	-	-		2,715,445
National Institutes of Health	93.RD	218,655,344	-	-		218,655,344
Office of Population Affairs	93.RD	262,267	-	-		262,267
Pass-Through Buck Institute for Age Research	93.RD	28,462	-	-		28,462
Pass-Through University of Wisconsin	93.RD	34,589	-	-		34,589
Pass-Through American Institutes for Research	93.RD	6,001	-	-		6,001
Pass-Through Battelle Memorial Institute	93.RD	38,968	-	-		38,968
Pass-Through Boston University	93.RD	143,012	-	-		143,012
Pass-Through Brigham and Women's Hospital	93.RD	30,065	-	-		30,065
Pass-through Brigham and Women's Hospital	93.RD	60,465	-	-		60,465
Pass-Through Brown University	93.RD	59,374	-	-		59,374
Pass-Through Children's Hospital of Philadelphia	93.RD	22,640	-	-		22,640
Pass-Through Children's Research Institute	93.RD	48,681	-	-		48,681
Pass-Through Colorado School of Mines	93.RD	53,009	-	-		53,009
Pass-Through Columbia University	93.RD	240,350	-	-		240,350
Pass-Through Cornell University	93.RD	133,399	-	-		133,399
Pass-Through Fidelity Systems	93.RD	67,955	-	-		67,955
Pass-Through George Mason University	93.RD	134,740	-	-		134,740
Pass-Through Georgetown University	93.RD	109,780	-	-		109,780
Pass-Through Georgetown University Lombardi Comprehensive Cancer Center	93.RD	160	-	-		160
Pass-Through Hugo W Moser Research at Kennedy Krieger, Inc.	93.RD	5,237	-	-		5,237
Pass-Through Imperial College School of Medicine	93.RD	36,319	-	-		36,319
Pass-Through Indiana University	93.RD	33,148	-	-		33,148
Pass-Through Johns Hopkins University	93.RD	5,950	-	-		5,950
Pass-Through Johns Hopkins University	93.RD	1,260,072	-	-		1,260,072
Pass-Through Kennedy Krieger Institute	93.RD	398,334	-	-		398,334
Pass-Through Medical University of South Carolina	93.RD	70,159	-	-		70,159
Pass-Through Mount Sinai School of Medicine	93.RD	1,640,393	-	-		1,640,393
Pass-Through New York University	93.RD	31,822	-	-		31,822
Pass-Through Ohio State University	93.RD	9,309	-	-		9,309
Pass-Through Pennsylvania State University	93.RD	367	-	-		367
Pass-Through Research Foundation of State University of New York	93.RD	36,931	-	-		36,931
Pass-Through Rice University	93.RD	25,701	-	-		25,701
Pass-Through Samaria, Inc	93.RD	34,186	-	-		34,186
Pass-Through Stanford University	93.RD	153,575	-	-		153,575
Pass-Through Temple University	93.RD	164,774	-	-		164,774
Pass-Through The Mind Research Network	93.RD	217,358	-	-		217,358
Pass-Through University of Alabama at Birmingham	93.RD	68,858	-	-		68,858
Pass-Through University of Alabama - Birmingham	93.RD	6,571	-	-		6,571
Pass-Through University of California	93.RD	267,391	-	-		267,391
Pass-Through University of California, San Francisco	93.RD	14,273	-	-		14,273
Pass-Through University of Cincinnati	93.RD	143,875	-	-		143,875
Pass-Through University of Massachusetts	93.RD	28,503	-	-		28,503
Pass-Through University of Massachusetts Medical Center	93.RD	10,039	-	-		10,039
Pass-Through University of Minnesota	93.RD	194,519	-	-		194,519
Pass-Through University of New Mexico	93.RD	110,959	-	-		110,959
Pass-Through University of North Carolina at Chapel Hill	93.RD	65,565	-	-		65,565
Pass-Through University of Oklahoma	93.RD	30,190	-	-		30,190
Pass-Through University of Texas	93.RD	21,901	-	-		21,901
Pass-Through University of Utah	93.RD	20,166	-	-		20,166
Pass-Through University of Virginia	93.RD	46,259	-	-		46,259
Pass-Through Virginia Polytechnic and State University	93.RD	233,456	-	-		233,456
Substance Abuse and Mental Health Services Administration	93.RD	13,232,799	-	-		13,232,799
<b>Total Department of Health and Human Services - (HHS)</b>		<b>323,704,661</b>	<b>-</b>	<b>5,549,863,373</b>		<b>5,873,568,034</b>
<b>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICES (CNCS)</b>						
CNCS	94.000	-	-	3,979		3,979
State Commissions	94.003	-	-	347,158		347,158
Learn & Serve America: School & Community Board Programs	94.004	-	-	369,817		369,817
Learn & Serve America: Higher education	94.005	21,540	-	-		21,540
AmeriCorps	94.006	-	-	4,722,961		4,722,961
AmeriCorps - ARRA	94.006	-	-	613,265		613,265
Planning & Program Development Grants	94.007	-	-	229,397		229,397
Planning & Program Development Grants	94.007	-	-	15,516		15,516
Training & Technical Assistance	94.009	-	-	42,922		42,922
Foster Grandparent Program	94.011	-	-	305,678		305,678
Volunteers in Service to America (VISTA)	94.013	-	-	33,269		33,269
Volunteers in Service to America (VISTA) - ARRA	94.013	-	-	9,790		9,790
Corporation for National and Community Service	94.RD	1,003,612	-	-		1,003,612
<b>Total Corporation for National &amp; Community Services</b>		<b>1,025,152</b>	<b>-</b>	<b>6,693,752</b>		<b>7,718,904</b>

## STATE OF MARYLAND

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

FEDERAL DEPARTMENT/PROGRAM TITLE/PASS THRU AGENCY	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<b><u>SOCIAL SECURITY ADMINISTRATION (SSA)</u></b>						
Pass-Through Center for Retirement Research at Boston College	96.RD	\$ 35,271	\$ -	\$ -		\$ 35,271
Pass-Through Westat Incorporated	96.RD	85,330	-	-		85,330
<b>Disability Insurance/SSI Cluster</b>						
Social Security - Disability Insurance (DI)	96.001	-	-	31,198,818		31,198,818
Supplemental Security Income - (SSI)	96.006	-	-	1,949,618		1,949,618
<b>Total Disability Insurance/SSI Cluster</b>					33,148,436	
<b>Total Social Security Administration - (SSA)</b>		<u>120,601</u>	<u>-</u>	<u>33,148,436</u>		<u>33,269,037</u>
<b><u>HOMELAND SECURITY</u></b>						
UT-Battelle ORNL DOE	97.002	43,181	-	-		43,181
NRC - Safeguards Information	97.005	-	-	1,735		1,735
Urban Areas Security Initiative	97.008	-	-	14,747,059		14,747,059
Boating Safety Financial Assistance	97.012	-	-	4,066,471		4,066,471
Community Assistance Program State Support Services Element-(CAP-SSSE)	97.023	-	-	132,248		132,248
Flood Mitigation Assistance - (FMA)	97.029	-	-	39,977		39,977
Public Assistance Grants	97.036	-	-	8,646,497		8,646,497
Hazard Mitigation Grant - (HMGP)	97.039	-	-	77,061		77,061
Pass-Through Vision Planning, LLC	97.039	-	-	23,718		23,718
National Dam Safety Program	97.041	-	-	31,116		31,116
Emergency Management Performance Grants	97.042	-	-	3,894,110		3,894,110
State Fire Training Systems Grant	97.043	-	-	28,000		28,000
Emergency Management - Cooperating Technical Partners	97.045	-	-	637,958		637,958
Pre-Disaster Mitigation	97.047	-	-	82,235		82,235
Citizen Corps	97.053	-	-	183,933		183,933
Interoperable Emergency Communications Grant Program - FY 2008	97.055	-	-	94,247		94,247
Port Security Grant Program for Critical National Seaports	97.056	-	-	307,254		307,254
Centers for Homeland Security	97.061	27,766	-	-		27,766
Homeland Security Information Technology Research, Testing, Evaluation and Demonstration Program	97.066	-	-	2,423,476		2,423,476
Homeland Security Grant Program	97.067	-	-	10,255,559		10,255,559
Map Modernization Mgmt. Support Program (MMMS)	97.070	-	-	219,967		219,967
Metropolitan Medical Response Program	97.071	-	-	258,209		258,209
K-9 Grant	97.072	-	-	630,501		630,501
Law Enforcement Terrorism Prevention Program	97.074	-	-	4,061,142		4,061,142
Homeland Security - MDOT Grant	97.075	-	-	2,221,273		2,221,273
Buffer Zone Protection Program	97.078	-	-	520,094		520,094
Real ID FY 2008	97.089	-	-	735,868		735,868
Law Enforcement Officer Reimb.	97.090	-	-	306,195		306,195
Degrees at a Distance Program	97.103	-	-	5,000		5,000
Homeland Security - Related Science, Technology, Engineering, and Mathematics (HS Stem) Career Development Program	97.104	-	-	217,030		217,030
Technology, Engineering and Mathematics (STEM) Career Development	97.104	2,828	-	-		2,828
Regional Catastrophic Prep Grant Program - FY 2008	97.111	-	-	608,584		608,584
Pass-Through RTI International	97.33120211772	60,778	-	-		60,778
Department of Homeland Security	97.RD	7,548,758	-	-		7,548,758
Pass-Through John Jay College of Criminal Justice, The City University of New York	97.RD	1,577	-	-		1,577
<b>Total Homeland Security</b>		<u>7,684,888</u>	<u>-</u>	<u>55,456,517</u>		<u>63,141,405</u>
<b><u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u></b>						
Pass-Through Institute International Education	98.001	-	-	2,718		2,718
Pass-Through Institute International Education	98.001	-	-	4,683		4,683
Agency for International Development	98.RD	122,746	-	-		122,746
<b>Total Agency for International Development</b>		<u>122,746</u>	<u>-</u>	<u>7,401</u>		<u>130,147</u>
<b><u>OTHER</u></b>						
Vietnam Educational Foundation	99.Unknown	-	-	4,028		4,028
<b>Total Other</b>		<u>-</u>	<u>-</u>	<u>4,028</u>		<u>4,028</u>
<b>TOTAL</b>		<u>\$ 645,932,454</u>	<u>\$ 1,090,537,814</u>	<u>\$ 11,480,334,638</u>		<u>\$ 13,216,804,906</u>

## **STATE OF MARYLAND**

### **Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2010**

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

The State of Maryland (State) includes expenditures in its Schedule of Expenditures of Federal Awards 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 program, 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 Recovery Act are separately identified on the accompanying Schedule of Expenditures of Federal Awards (SEFA) with the letters ARRA.

The noncash expenditures of \$18,032,000 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, 2009. These food commodities were received by the Maryland Department of Education from the U.S. Department of Agriculture for the year ended June 30, 2010.

The noncash expenditures of \$7,345,000 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, 2009. 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, 2010.

## STATE OF MARYLAND

### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

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

Expenditures of \$836,292,000 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 fiscal year ended June 30, 2010. The reported expenditures for benefits under the SNAP (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for approximately 16.38 percent of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2010.

Noncash expenditures of \$179,000 for CFDA No. 39.003, Donation of Federal Surplus Personal Property, represents the average fair market value percentage per the General Services Administration (GSA) of 25% of the Federal government original acquisition cost (OAC) of the Federal property transferred to recipients by the State during the fiscal year ended June 30, 2010.

#### 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 fiscal year ended June 30, 2010, reflects CFDA changes issued through June 2010.

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

# STATE OF MARYLAND

## Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

### 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, 2010, was \$64,000 for CFDA No. 10.550, Food Donation Program and \$213,000 for CFDA No. 10.569, Emergency Food Assistance Program (Food Commodities). 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, 2009.

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. The value of donated Federal surplus property on hand as of June 30, 2010, was \$0 for CFDA No. 39.003, Donation of Federal Surplus Personal Property Program.

### 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, 2010. 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 single audit Findings and Questioned Costs for the year ended June 30, 2010.

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	\$ 1,052,672,223
Federal UC benefits	981,934,465
Federal UC administrative costs	78,433,354
<b>Total Benefits</b>	<u>\$ 2,113,040,042</u>

# STATE OF MARYLAND

## Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

### 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.

### 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 College received no Federal funds under the Program for the fiscal year ended June 30, 2010. The outstanding loan balance of \$255,213 as of June 30, 2009, and the outstanding loan balance of \$251,899 as of June 30, 2010, are not considered current year Federal expenditures. The accompanying Schedule of Expenditures of Federal Awards includes \$30,455 for loans issued during the fiscal year ended June 30, 2010.

During the fiscal year ended June 30, 2010, the College processed the following amount of new loans under the Federal Family Education Loan Program, which includes the Stafford Loan and PLUS Loan. Since this program is administered by outside financial institutions, new loans made during the fiscal year ended June 30, 2010, relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The new loans made during the fiscal year ended June 30, 2010, are reported in the accompanying Schedule of Expenditures of Federal Awards.

<u>CFDA Number</u>		<u>Loan Expenditures for Fiscal Year Ended June 30, 2010</u>
84.032	Stafford Loan Program	\$ 6,098,219
84.032	PLUS Loans	5,079,008
		<u>\$ 11,177,227</u>

# STATE OF MARYLAND

## Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

### 8. LOAN PROGRAMS (continued)

#### 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, 2010, were \$199,037 and \$13,907, respectively. There were no new loans made in the fiscal year ended June 30, 2010. The outstanding balances as of June 30, 2009, are considered current-year Federal expenditures. These amounts are reported in the accompanying Schedule of Expenditures of Federal Awards.

#### 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 \$3,402,098 as of June 30, 2009, the loan expenditures of \$112,250 for the fiscal year ended June 30, 2010, and the fiscal year 2010 administrative cost allowance of \$5,612 are considered current-year Federal expenditures. These amounts are reported in the accompanying Schedule of Expenditures of Federal Awards.

During the fiscal year ended June 30, 2010, the University processed \$46,036,881 of new loans under the Federal Direct Loan Program (CFDA No. 84.268). Since this program is administered by outside financial institutions, the new loans made in the fiscal year ended June 30, 2010, relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The new loans made in the fiscal year ended June 30, 2010, are reported in the accompanying Schedule of Expenditures of Federal Awards.

#### University System of Maryland

During the year ended June 30, 2010, the University System of Maryland (the System) processed the following amount of new loans under the Federal Direct Student Loan Program and Federal Family Education Loan Program, which includes the Stafford Loan, Plus Loan School as Lender Program, and Graduate PLUS Loan Program. Since these loan programs are administered by outside financial institutions, new loans made in the fiscal year ended June 30, 2010, are reported in the accompanying Schedule of Expenditures of Federal Awards, whereas the outstanding loan balances are not.

<u>CFDA Number</u>		<u>Loan Expenditures for Fiscal Year Ended June 30, 2010</u>
84.032	Federal Family Education Loans	\$ 184,653,032
84.268	Federal Direct Student Loans	603,442,921
	<b>Total</b>	<u>\$ 788,095,953</u>

STATE OF MARYLAND

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

8. LOAN PROGRAMS (continued)

University System of Maryland (continued)

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:

<b>Economic Development Administration (EDA) Award Numbers(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>	\$ 2,771,436	\$ 651,059	\$ 519,391
2. Cash and investment balance in the RLF at the end of the fiscal year, <i>plus</i>	1,723,722	1,058,137	16,790
3. Administrative expenses paid out of RLF income during the fiscal year, <i>plus</i>	194,528	-	-
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%	57.4713%
6. Total Federal Awards Expended	<u>\$ 3,517,264</u>	<u>\$ 1,281,897</u>	<u>\$ 308,150</u>

**STATE OF MARYLAND**

**Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010**

**8. LOAN PROGRAMS (continued)**

**University System of Maryland (continued)**

The System administers the following Federal Student Financial Assistance Programs:

<b>CFDA Number</b>		<b>Balance Outstanding as of June 30, 2009</b>	<b>Loan Expenditures for Fiscal Year Ended June 30, 2010</b>
84.038	Perkins Loan Programs	\$ 62,394,915	\$ 6,260,180
93.264	Nurse Faculty Loan Program (NFLP) (ARRA)	-	7,217
93.264	Nurse Faculty Loan Program (NFLP)	65,852	30,000
93.364	Federal Nursing Loan - Undergraduate	1,354,291	230,500
93.364	Federal Nursing Loan - Graduate	271,666	24,000
93.342	Health Professional Loan - Dental	5,087,143	813,800
93.342	Health Professional Loan - Medical	73,812	-
93.342	Health Professional Loan - Pharmacy	1,156,488	252,500
93.342	Primary Care	4,402,210	-
	<b>Total</b>	<b>\$ 74,806,377</b>	<b>\$ 7,618,197</b>

The outstanding loan balances as of June 30, 2009, and loan expenditures for the fiscal year ended June 30, 2010, are considered current-year Federal expenditures. These amounts are reported on the accompanying Schedule of Expenditures of Federal Awards.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**STATE OF MARYLAND**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2010**

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

**Financial Statements**

Type of Independent Public Accountant’s report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes  X  no
- Significant deficiency(ies) identified that are not considered to be material weakness (es)? \_\_\_\_\_yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes  X  none reported

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified \_\_\_\_\_ yes  X  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  X  yes \_\_\_\_\_ no

Type of Independent Public Accountant’s report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  X  yes \_\_\_\_\_ no

**STATE OF MARYLAND**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2010**

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

**Identification of Major Programs**

<b>Major Program</b>	<b>CFDA No.</b>	<b>Federal Expenditures</b>
Supplemental Nutritional Assistance Program Cluster	10.551/10.561	\$ 887,459,902
Supplemental Nutritional Assistance Program Cluster - ARRA	10.561	2,088,695
Child and Adult Care Food Program	10.558	43,349,405
Emergency Food Assistance Program Cluster	10.568/10.569	8,174,039
Emergency Food Assistance Program Cluster - ARRA	10.569	323,150
HUD - TCAP	14.000	1,409,840
HUD - TCAP - ARRA	14.000	11,179,889
Section 8 Housing Choice Vouchers	14.871	16,820,492
Unemployment Insurance	17.225	2,112,938,073
Unemployment Insurance - ARRA	17.225	101,969
Workforce Investment Act Cluster	17.258/17.259/ 17.260	32,424,689
Workforce Investment Act Cluster - ARRA	17.258/17.259/ 17.260	13,939,769
Highway Planning and Construction Cluster	20.205/23.003	350,812,116
Highway Planning and Construction Cluster - ARRA	20.205	156,083,831
Federal Transit Cluster	20.500/20.507	212,594,975
Federal Transit Cluster - ARRA	20.500/20.507	40,500,053
Section 1602 Monetization- ARRA	40. unknown	21,184,812
Title I, Part A Cluster	84.010/84.389	201,335,131
Title I, Part A Cluster - ARRA	84.389	53,923,501
Special Education Cluster	84.027/84.173	205,323,812
Special Education Cluster - ARRA	84.027/84.391/84.392	75,645,001
Vocational Rehabilitation Cluster	84.126	37,612,852
Vocational Rehabilitation Cluster - ARRA	84.390	4,515,983
State Fiscal Stabilization Fund Cluster - ARRA	84.394/84.397	350,802,345
Aging Cluster	93.044/93.045/93.053	19,102,757
Aging Cluster - ARRA	93.705/93.707	1,631,663
Temporary Assistance for Needy Families Cluster	93.558/93.714	221,725,598
Temporary Assistance for Needy Families Cluster - ARRA	93.558/93.714	78,367,668
Child Support Enforcement	93.563	38,913,917
Child Support Enforcement - ARRA	93.563	52,385,828
Child Care and Development Block Grant	93.575/93.596	74,194,658
Child Care and Development Block Grant - ARRA	93.713	17,528,234
Foster Care: Title IV-E	93.658	71,030,410
Foster Care: Title IV-E - ARRA	93.658	4,554,723
Adoption Assistance	93.659	19,776,323
Adoption Assistance - ARRA	93.659	2,736,873
Children's Health Insurance Program	93.767	153,837,884
Medicaid Cluster	93.775/93.777/93.778	3,600,578,550
Medicaid Cluster - ARRA	93.778	785,704,162
Block Grants for Prevention & Treatment of Substance Abuse	93.959	29,875,454
Student Financial Aid Cluster	84.007/84.032/84.033/84.038/84.063/84.268/84.375/84.376/84.379/93.342/93.364	1,082,009,357
Research and Development Cluster (R&D)	Various	645,932,454
Passenger Facility Charges	Unknown	38,485,093
<b>Total</b>		<b>\$ 11,778,915,930</b>



**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

<b>Finding No.</b>	<b>Funding Department</b>	<b>Title of Finding</b>
2010-1	U.S. Department of Health and Human Services	Compliance and Internal Control Deficiency Over the Eligibility Determination Process
2010-2	U.S. Department of Health and Human Services	Compliance Deficiency Over Allowable Costs - Recoveries, Refunds, Rebates and Third Party Liabilities
2010-3	U.S. Department of Health and Human Services	Compliance and Internal Control Deficiency Over Reporting of Program Income
2010-4	U.S. Department of Health and Human Services	Compliance and Internal Control Control Deficiency Over Special Tests - Provider Health and Safety Standards
2010-5	U.S. Department of Health and Human Services	Compliance Deficiency Over Level of Effort
2010-6	U.S. Department of Health and Human Services	Compliance Deficiency Over Subrecipient Monitoring
2010-7	U.S. Department of Health and Human Services	Internal Control Deficiency Over Cash Management
2010-8	U.S. Department of Health and Human Services	Compliance and Internal Control Deficiency Over Eligibility
2010-9	U.S. Department of Health and Human Services	Compliance Deficiency Over Activities Allowed and Allowable Costs
2010-10	U.S. Department of Agriculture	Compliance and Significant Deficiency Over Accountability for Commodities
2010-11	Federal Aviation Administration	Compliance Deficiency Over Reporting
2010-12	U.S. Department of Education	Compliance and Internal Control Deficiency Over Special Reporting
2010-13	U.S. Department of Education	Compliance and Internal Control Deficiency on Return of Title IV Funds
2010-14	U.S. Department of Education	Compliance and Internal Control Deficiency Over Student Status Changes
2010-15	U.S. Department of Education	Compliance and Internal Control Deficiency on Return of Title IV Funds
2010-16	U.S. Department of Education	Compliance and Internal Control Deficiency Over Verification
2010-17	U.S. Department of Education	Compliance Deficiency Over Student Status Changes
2010-18	U.S. Department of Education	Compliance and Internal Control Deficiency Over Student Loan Repayment

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2010

#### Finding 2010 - 1

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

##### Medical Assistance Program Medicaid Cluster CFDA No. 93.775, 93.777, 93.778

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

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

#### Compliance and Internal Control Deficiency Over the Eligibility Determination Process

##### *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 8USC 1613.
8. Eligibility must be redetermined at least every 12 months.

##### *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:

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 1 (continued)**

**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.

**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.

***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

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2010

#### Finding 2010 - 1 (continued)

##### ***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 LDH 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-determination were not completely timely as required by Federal and State regulations, continued eligibility was re-established when the system enhancements were completed.

##### ***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, 2010**

**Finding 2010 - 2**

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

**Medical Assistance Program Medicaid Cluster  
CFDA No. 93.775, 93.777, 93.778**

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

**Compliance Deficiency Over Allowable Costs – Recoveries, Refunds, Rebates and Third Party Liabilities**

***Criteria:***

Per 42 CFR sections 433.135 through 433.154:

States must have a system to identify medical services that are the legal obligation of third parties, such as private health or accident insurers. Such third-party resources should be exhausted prior to paying claims with program funds. Where a third-party liability is established after the claim is paid, reimbursement from the third party should be sought.

Per 42 CFR sections 433.300 through 433.320, and 433.40:

The State is required to credit the Medicaid program for (1) State warrants that are canceled and uncashed checks beyond 180 days of issuance (escheated warrants) and (2) overpayments made to providers of medical services within specified time frames. In most cases, the State must refund provider overpayments to the Federal Government within 60 days of identification of the overpayment, regardless of whether the overpayment was collected from the provider.

Section 1927 of the Social Security Act allows States to receive rebates for drug purchases the same as other payers receive. Drug manufacturers are required to provide a listing to Center for Medicaid Services (CMS) of all covered outpatient drugs and, on a quarterly basis, are required to provide their average manufacturer's price and their best prices for each covered outpatient drug. Based on these data, CMS calculates a unit rebate amount for each drug, which it then provides to States. No later than 60 days after the end of the quarter, the State Medicaid agency must provide to manufacturers drug utilization data. Within 30 days of receipt of the utilization data from the State, the manufacturers are required to pay the rebate or provide the State with written notice of disputed items not paid because of discrepancies found.

***Condition:***

The State receives drug rebates for drug purchases. Drug manufacturers are required to provide a listing to CMS of all covered drugs on a quarterly basis. CMS provides this data to the State. No later than 60 days after the end of the quarter, the State must provide to drug manufacturers drug utilization data. During the audit, we noted for the quarter ended September 30, 2009, the data was submitted on December 1 2009, or 62 days after the quarter end. Also for the quarter ended June 30, 2010, the data was submitted on August 31, 2010, or 62 days after the quarter end.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2010

#### Finding 2010 - 2 (continued)

##### *Condition (continued):*

Within 30 days of receipt of the utilization data from the State, the manufacturers are required to pay the rebate or provide the State with written notice of disputed items not paid because of discrepancies found. During our audit, we noted of a sample size of 60, there were 39 selections where the payment date was in excess of 30 days. Of the 39 items noted above, 26 were in excess of 45 days, one was over 300 days and one payment has not been received to date.

During our audit, we noted DHMH contracts with a third party to pursue third party liabilities. We were unable to determine the extent to which reimbursement was sought for the claims with open reimbursement status. We also noted the State does not currently communicate with the service provider regarding the status of open claims and does not monitor the claims collection process. The only information DHMH obtains is the payment data on collections from the third party contractor.

##### *Cause:*

The above is due to timing of DHMH receiving information/data from CMS and due to lack of information obtained from the TPL contractor to evidence proper pursuit and follow up of third party liabilities. DHMH does not have a policy manual that outlines State and third party service provider responsibilities over the management of open TPL claims.

##### *Effect:*

DHMH is not in compliance with the allowable costs requirements related to recoveries, refunds and rebates and third party liabilities. There is a risk that reimbursement for claims will not be adequately sought. There is also a risk that TPL related accounts receivable will not be properly recorded and presented in financial reports.

##### *Questioned Costs:*

Unknown

##### *Recommendation:*

We recommend DHMH obtain a waiver from CMS for delays in receipt of information required for OMB A-133 requirements. We also recommend DHMH obtain evidence to support the pursuit of third party liabilities collections before and after a claim is processed, not only the information on collections obtained.

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

The Department concurs with the recommendation. The Department sent an e-mail to the Center for Medicare and Medicaid Services (CMS) on February 17, 2011 asking for guidance on how to proceed with obtaining a waiver for delays in receipt of information required for OMB A-133 requirements. As of March 7, 2011, CMS has not responded to the e-mail. To ensure the drug utilization data is provided to drug manufacturers no later than 60 days after the end of the quarter, the Department will send a reminder e-mail to its rebates vendor 45 days after the end of the quarter to remind them that utilization data is due to the drug manufacturers no later than 60 days after the end of the quarter.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 2** (continued)

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

**Recommendation #2**

The Department concurs with the recommendation. The Division of Recoveries and Financial Services (DRAFS) met with the Third Party Liability (TPL) contractor on March 7, 2011, to discuss metrics that support the pursuit of third party liabilities collections. Beginning in May 2011, DRAFS will receive and review a monthly report from the contractor that will compare the number of open claims in a re-bill status to the total number of claims for the same time period. This report will identify each collection attempt made by the contractor along with the related results and any funds collected. The report review cycle will consist of a rolling one-year period beginning with July 1, 2009, as a baseline for this metric.

***Auditor's Conclusion:***

Based on the above, finding remains as stated.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 3**

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

**Medical Assistance Program Medicaid Cluster  
CFDA No. 93.775, 93.776, 93.777, 93.778**

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

**Compliance and Internal Control Deficiency Over Reporting of Program Income**

***Criteria:***

Per 2 CFR section 215.22:

2(g) To the extent available, recipients shall disburse funds available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

***Condition:***

DHMH received \$141,045 in premiums for fiscal year 2010 related to the Medicaid program. The receipt of this program income was not reported in fiscal year 2010 during the cash management process as a reduction in claim expenses requested from the Federal government.

***Cause:***

DHMH did not consistently follow its procedures to report program income properly during the cash management process.

***Effect:***

DHMH is not in compliance with reporting of program income received during the year.

***Questioned Costs:***

\$86,869 which represents the 61.59% match for Federal funds.

***Recommendation:***

We recommend DHMH consistently follow its process to adhere to the reporting requirements of program income.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 3 (continued)**

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

The Administration agrees with the finding. The actual Federal funds to be returned are \$86,869. This is composed of the regular 50% Federal Medical Assistance Percentages (FMAP) of \$70,522 and the additional 11.59% ARRA funding of \$16,347. These funds will be returned as line 10B (decreasing) prior period adjustments on the upcoming Centers for Medicare and Medicaid Services CMS 64 report for the quarter ending March 31, 2011.

The Administration will process future Employed Individuals With Disabilities (EID) recoveries through Medical Management Information Systems, whereby the Federal share will be automatically included as a reduction to the draw of Federal funds.

***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, 2010**

**Finding 2010 - 4**

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

**Medical Assistance Program Medicaid Cluster  
CFDA No. 93.775, 93.777, 93.778**

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

**Compliance and Internal Control Deficiency Over Special Tests – Provider Health and Safety Standards**

***Criteria:***

Per OMB Circular A-133, payments are to be made only to institutions that meet prescribed health and safety standards. The State should ensure that hospitals, nursing facilities and ICF/MR that serve Medicaid patients meet the prescribed health and safety standards.

***Condition:***

The State performs reviews of Medicaid providers to ensure they meet the health and safety standards. During our testing of 60 nursing homes and hospital providers, there were a total of five files that did not have full documentation of the review. Three cases did not have a physical file. We obtained the signed CMS forms from the computer system indicating the review happened and if any corrective action was required. However, there was no documentation of the records reviewed, such as regulatory correspondence and interviews with provider staff. Five cases did not have signed CMS forms. One case file that indicated a corrective action plan was needed did not have the corrective action plan in the file.

***Cause:***

There was no adequate review of the case files to ensure they were complete.

***Effect:***

DHMH has inadequate internal controls over the completeness of the case files.

***Questioned Costs:***

None

***Recommendation:***

We recommend DHMH implement an improved system of internal controls to ensure case files reviewed for provider health and safety standards are complete and are adequate to ensure the providers meet the required standards.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 4 (continued)**

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

The Department of Health and Mental Hygiene (DHMH) has reviewed the five cases cited by the auditors and concurs with five exceptions noted.

The Program Manager has developed a survey packet checklist for the survey coordinators' use to ensure that all survey documentation is present, complete and in a consistent order prior to being filed. This list will be submitted with the survey packet kit to either the program manager or the deputy director for review and for the second signature on the CMS 1539. The program manager or deputy director will not sign the CMS 1539 unless all survey documentation is present, complete and in the prescribed order. Kits identified as incomplete or not in prescribed order will be returned to survey coordinator for correction. Packet will be corrected and re-submitted to program manager or deputy director for their approval/signature on the CMS 1539. Another checklist has been developed by the program manager for complaint and incident review surveys, these packets will be verified as complete and in a consistent order by signatures of the surveyor and the surveyor's supervisor.

The checklists will be filed with the survey packets.

Use of the checklists has been initiated for all surveys completed since March 1, 2011.

***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, 2010**

**Finding 2010 - 5**

**Department of Health and Mental Hygiene**

**Block Grants For Prevention and Treatment of Substance Abuse  
CFDA No. 93.959**

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

**Compliance Deficiency Over Level of Effort**

***Criteria:***

Per OMB Circular A-133:

Block Grants for Prevention and Treatment of Substance Abuse, Part II, Subpart G.2.1.a, states that “the State shall for each fiscal year maintain aggregate State expenditures for authorized activities by the principal agency at a level that is not less than the average level of such expenditures maintained by the State for the two State fiscal years preceding the fiscal year for which the State is applying for the grant.”

***Condition:***

The Substance Abuse Prevention and Treatment Block Grant program is administered by the Alcohol and Drug Abuse Administration (ADAA), which is a division of the Department of Health and Mental Hygiene (DHMH). ADAA is required to submit to the Substance Abuse and Mental Health Services Administration (SAMHSA), an operating division of the Department of Health and Human Services, its calculation of level of effort relative to the State’s expenditures for Substance Abuse (SSA MOE Table I). During the audit, we reviewed the calculation and noted that the expenditures for fiscal year 2010 were less than the average of the prior two year expenditures for the substance abuse program.

***Cause:***

DHMH failed to expend in fiscal year 2010 more than the average of the prior two years for substance abuse as required by OMB Circular A-133. The decrease in maintenance of effort is due to budget cuts experienced by the State.

***Effect:***

DHMH is not in compliance with the Level of Effort requirement for the substance abuse program.

***Questioned Costs:***

None

***Recommendation:***

We recommend that DHMH contact SAMHSA to obtain a waiver of this Federal requirement if the abuse program is unable to maintain its level of effort.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 5 (continued)**

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

The ADAA concurs with the recommendation. The ADAA has been in contact with the Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Treatment, about the Level of Effort requirement. The ADAA is awaiting direction from SAMHSA as to next steps.

***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, 2010

#### Finding 2010 - 6

##### Department of Health and Mental Hygiene

##### Block Grants For Prevention and Treatment of Substance Abuse CFDA No. 93.959

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

##### Compliance Deficiency Over Subrecipient Monitoring

###### *Criteria:*

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>) 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.

###### *Condition:*

The Substance Abuse Prevention and Treatment Block Grant program is administered by the Alcohol and Drug Abuse Administration (ADAA), which is a division of the Department of Health and Mental Hygiene (DHMH). ADAA is required to monitor the services of the providers that administer direct services to those participating in the Substance Abuse Prevention and Treatment programs.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 6 (continued)**

***Condition (continued):***

During our audit, we noted ADAA failed to monitor three of its subrecipients during the year. Additionally, three subrecipients did not submit the required reports; therefore the required monitoring could not be performed. Two of the subrecipients did not issue corrective action plans as requested to ADAA and two subrecipients did not have the corrective action plans approved within 10 days of receipt of the plan.

***Effect:***

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

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that ADAA set up more stringent procedures that ensure that all programs are monitored each year and that the established monitoring and follow up procedures are performed by each reviewer.

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

The ADAA concurs with the recommendation.

Effective February 11, 2011, the ADAA has strengthened its procedures to ensure sub-recipients are adequately monitored and appropriate corrective action is taken on identified deficiencies in a timely manner by:

- a) implementing graduated sanctions,
- b) creating an electronic database to track monitoring compliance daily by Quality Assurance staff,
- c) assigning two additional staff to perform the required program audit and monitoring functions.

For the sub-recipients noted above that did not submit required quarterly reports, the ADAA now requires the jurisdiction to perform the monitoring function of those providers with whom they contract. This requirement is now in the FY 2010 Condition of Grant Awards signed by the jurisdiction. Thereafter, the ADAA sent letters to the jurisdictions instructing them to perform and submit their required quarterly reports within five business days after the end of each quarter.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 6 (continued)**

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

As of March 2011, the new policy requires jurisdictions to submit a plan of correction as to why the sub-recipient monitoring was not done and what the jurisdiction will do in the future to ensure that the monitoring is done. If there are consecutive quarters where sub-recipient monitoring was not performed in the matter in which it was instructed, the Single State Authority Director shall contact the County Coordinator and take appropriate administrative action, if necessary.

In January 2010, the ADAA implemented an electronic database to track the monitoring requirements of jurisdictions and programs. Furthermore, ADAA has now assigned two additional staff to perform the required program audit and monitoring functions.

***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, 2010**

**Finding 2010 - 7**

**Department of Human Resources (DHR)**

**Foster Care – Title IV-E  
CFDA No. 93.658**

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

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

**Internal Control Deficiency Over Cash Management**

***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.

***Condition:***

During our testing of the foster care program, we noted five transactions out of a sample size of twenty four; and for the adoption program, we noted five transactions out of a sample size of eleven, without proper signature approval from management.

***Cause:***

DHR did not follow its established procedures of review and sign off to ensure that amounts drawn down were reviewed for accuracy prior to draw.

***Effect:***

No evidence of approval of the draw request evidencing proper review and approval of draw down prior to the draw down request.

***Questioned Costs:***

None

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 7 (continued)**

***Recommendation:***

We suggest that DHR follow its existing policy of review and sign off on cash draws prior to the draw taking place to prevent Federal draw downs that are not supported by accounting records or not in accordance with the State Treasurer's agreement.

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

We concur with the finding and the Department will begin immediately to document all cash draw reviews. To date, all cash draws are reviewed, and reviews have been documented on a test basis. A Single Audit finding in 2003 prompted the Department to implement the practice of documenting the reviews on a test basis. The 2003 corrective action described in that year's Single Audit Report was not commented on by the US Department of Health and Human Services, and documenting reviews on a test basis has been our procedure since that time. In addition to initial draw reviews, management reviews funds drawn compared to actual expenditures quarterly, as that is when actual expenditure information is available and reports are due to the federal government for claiming and cash management purposes.

***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, 2010**

**Finding 2010 - 8**

**Department of Human Resources (DHR)**

**Foster Care – Title IV - E  
CFDA No. 93.658**

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

**Compliance and Internal Control Deficiency Over Eligibility**

***Criteria:***

Per OMB Circular A-133, June 2010

Foster Care maintenance payments are allowable only if the foster child was removed from the home of a relative specified in section 406(a) of the Social Security Act, as in effect on July 16, 1996, and placed in foster care by means of a judicial determination, as defined in 42 USC 672(a)(2), or pursuant to a voluntary placement agreement, as defined in 42 USC 672(f), (42 USC 672(a)(1) and (2) and 45 CFR section 1356.21).

45 CFR section 1356.21(b)(2):

(c) *Reasonable efforts to finalize a permanency plan* – A judicial determination regarding reasonable efforts to finalize the permanency plan must be made within 12 months of the date on which the child is considered to have entered foster care and at least once every 12 months thereafter while the child is in foster care. The judicial determination must be explicitly documented and made on a case by case basis. If a judicial determination regarding reasonable efforts to finalize a permanency plan is not made within this timeframe, the child is ineligible at the end of the 12th month from the date the child was considered to have entered foster care or at the end of the month in which the subsequent judicial determination of reasonable efforts was due, and the child remains ineligible until such a judicial determination is made.

45 USC 672(a):

A child must meet the eligibility requirements of the former Aid to Families with Dependent Children (AFDC) program.

***Condition:***

We selected a sample size of 60 transactions at several locations. During our testing of eligibility at the Baltimore City site, we noted three exceptions out of a sample size of 40. We noted one case where we were unable to determine if reasonable efforts were made to finalize a permanency plan and two cases where the child did not meet the eligibility requirements.

***Cause:***

DHR did not obtain or maintain the necessary documentation to support the eligibility determinations.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 8 (continued)**

***Effect:***

Since documentation and verifications were not performed in accordance with program requirements and cases could not be located, DHR does not have adequate assurance that eligibility for the foster care program is being properly determined.

***Questioned Costs:***

None

***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:***

Upon receipt of these findings, DHR consulted the Auditor to confirm the four names and client identification numbers for the placements in question (Cases J, K, D and B). The responses below are on a case by case basis.

**Case J**

We disagree with the audit finding that the child did not meet the former AFDC requirements. It is correct that the income information clearances were not completed at the time the initial determination was made. However, the appropriate income information clearances were completed within the allowable 2-year window. This makes the child Title IV-E eligible and therefore the case is correctly determined and documented eligible for IV-E.

**Case K**

We concur with the audit finding that the income calculation was done incorrectly at the initial determination. We also agree that there was not a timely Permanency Review to obtain judicial determination of reasonable efforts to achieve permanency.

**Case D**

We concur with the audit finding that the child did not meet the former AFDC requirements for IV-E eligibility. This was a complex case because it was part of a sibling group of four and the worker did not consider the Social Security survivor benefits received by the sibling in determining the initial eligibility. The case was corrected.

**Case B**

We disagree with the audit finding that there was no legal custody. Legal custody for this case is not required as constructive removal applies since the child lived with the father within six months of entering care. The IV-E decision in MD CHESSIE was therefore correct.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 8 (continued)**

**Corrective Action:**

Starting in May 2011, the Department will implement refresher training to focus eligibility workers and supervisors on the basic steps involved in documenting information that correctly supports Title IV-E decisions. The refresher training will also focus on the appropriate methods to track and document judicial findings of reasonable efforts to achieve permanency. Another component of the training will focus on the appropriate method in completing the income calculation worksheet. The refresher training will be repeated every six months.

***Auditor's Conclusion:***

Based on the above, the findings will remain as stated.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 9**

**Department of Human Resources (DHR)**

**Temporary Assistance for Needy Families (TANF)  
CFDA No. 93.558, 93.714**

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

**Compliance Deficiency Over Activities Allowed and Allowable Costs**

***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.

***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.

***Cause:***

DHR has not obtained formal approval from the Federal government authorizing the use of TANF funds on the MHEC scholarship program.

***Effect:***

TANF funds used for activities and costs under the MHEC scholarship program may not be approved by the Federal government.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 9 (continued)**

***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 is awaiting the Office of Family Assistance's determination on this matter.

***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, 2010**

**Finding 2010 - 10**

**Department of Human Resources (DHR)**

**Emergency Food Assistance Program Cluster  
CFDA No. 10.568, 10.569**

**U.S. Department of Agriculture**

**Compliance and Significant Deficiency Over Accountability for Commodities**

***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.

***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.

***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 Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 10** (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 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.

***Auditor's Conclusion:***

Based on the above, the finding will remain as stated.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 11**

**Maryland Department of Transportation (MDOT)**

**Passenger Facility Charges  
CFDA No. Unknown**

**Federal Aviation Administration**

**Compliance Deficiency Over Reporting**

***Criteria:***

Per 14 CFR Section 158.63(a):

The public agency shall provide quarterly reports to carriers collecting Passenger Facility Charge (PFC) revenues for the public agency, with a copy to the appropriate Federal Aviation Administration (FAA) Airports office. The PFC quarterly report must include PFC revenue received from collecting carriers, interest earned, and expenditures for the quarter; cumulative PFC revenue received, interest earned, expenditures, and the amount committed for use on currently approved projects, including the quarter; the PFC level for each project; and the current project schedule.

Per Section 158.63(b)

The report shall be provided on or before the last day of the calendar month following the calendar quarter or other period agreed by the public agency and collecting carrier.

***Condition:***

During our testing, we noted as of June 30, 2010, \$2.3 million of construction management and inspection services (CMI) expenditures were mistakenly coded to the PFC 05-11 Design project, when they should have been coded to the PFC 05-14 Construction project. As a result, the expenditures reported by MAA on the June 30, 2010, quarterly report for applications 06-05-C-02 and 07-06-U-00 were inaccurate. Expenditures for application 06-05-C-02 were overstated by \$2.3 million and the expenditures for application 07-06-U-00 were understated by the same amount.

***Cause:***

The error in coding of expenditures to the general ledger resulted in inaccurate information being reported in the quarterly report.

***Effect:***

MDOT is not in compliance with reporting in accordance with the Passenger Facility Charges reporting requirements.

***Questioned Costs:***

None

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 11** (continued)

***Recommendation:***

We recommend MAA review controls over expenditure coding to ensure the proper coding of project expenditures and perform adequate review of reports to identify any discrepancies. It is important that accurate reports be produced to ensure that the goals and purposes of the grant have been achieved and accounted for properly.

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

MAA acknowledges that the expenditure data was reported to the wrong project. This error has been subsequently corrected by MAA. MAA has instituted proper quality control measures to ensure accounts are coded properly.

***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, 2010**

**Finding 2010 – 12**

**Morgan State University**

**Student Financial Aid Cluster**

**CFDA No. 84.063-Federal Pell Grant Program (PELL)**

**CFDA No. 84.033-Federal Work Study Program (FWS)**

**CFDA No. 84.268-Federal Direct Student Loans (FDLP)**

**CFDA No. 84.038- Federal Perkins Loans (FPL)**

**CFDA No. 84.007-Federal Supplemental Educations Opportunity Grants (FSEOG)**

**CFDA No. 84.375-Academic Competitiveness Grants (ACG)**

**CFDA No. 84.376-National Science and Mathematics Access to Retain Talent (Smart) Grants**

**CFDA No. 84.379-Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)**

**U.S. Department of Education**

**Compliance and Internal Control Deficiency Over Special Reporting**

***Criteria:***

All recipients of student financial aid funds are required to submit ED Form 646-1, *Fiscal Operations Report and Application to Participate (FISAP)*. The University uses the *Fiscal Operations Report* to report its expenditures in the previous award year and the *Application to Participate* to apply to participate in the succeeding year. The Department of Education requires recipients to retain accurate and verifiable records for program review and audit purposes.

***Condition:***

The University was unable to provide support from the general ledger to match the Federal funds available and spent for college work study on the submitted FISAP.

***Cause:***

The University did not have adequate controls in place to update information within a timely manner.

***Effect:***

The University may not receive all the funds to which they are entitled, or they may be required to return funds they were not entitled to receive.

***Questioned Costs:***

Unknown

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 – 12** (continued)

***Recommendation:***

We recommend that the University review the FISAP prior to submission, retain supporting records, and attach general ledger support to submitted FISAP.

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

The University agrees. After discussion with the auditors, the University has identified the issues to be corrected and an amended FISAP will be filed by March 15, 2011. In the future, the Assistant Vice President for Finance and Management (AVPFM) will review the FISAP prior to forwarding to the U.S Department of Education. Additionally, the financial aid and human resources departments under the supervision of the AVPFM will strengthen the record keeping of payroll, thus reducing the likelihood of this situation recurring. This will be completed by April 30, 2011.

***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, 2010

#### Finding 2010 - 13

##### Morgan State University

###### Student Financial Aid Cluster

CFDA No. 84.063-Federal Pell Grant Program (PELL)

CFDA No. 84.033-Federal Work Study Program (FWS)

CFDA No. 84.268-Federal Direct Student Loans (FDLP)

CFDA No. 84.038-Federal Perkins Loans (FPL)

CFDA No. 84.007-Federal Supplemental Educations Opportunity Grants (FSEOG)

CFDA No. 84.375-Academic Competitiveness Grants (ACG)

CFDA No. 84.376-National Science and Mathematics Access to Retain Talent (Smart) Grants

CFDA No. 84.379-Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)

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

#### Compliance and Internal Control Deficiency on Return of Title IV Funds

##### *Criteria:*

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 earned as of the student's withdrawal date or the date the school discovers 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. 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.

##### *Condition:*

During our testing of Return of Title IV funds, we reviewed the refund calculations for 14 students. For two of the students selected, the calculation of the unearned amount of Title IV assistance was not in accordance with Federal regulations. In one instance, \$6,828 of Federal funds should have been refunded to the Department of Education. In the second instance, \$3,841 of Pell and Unsubsidized Stafford loan amounts should have been refunded to the Department of Education. The University returned the incorrect amount for the Pell grant and did not return any of the unsubsidized loan funds, which was not in accordance with the Federal regulations on the order of return of title IV funds.

## STATE OF MARYLAND

### Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2010

#### **Finding 2010 - 13** (continued)

***Cause:***

The University did not calculate the return of funds in accordance with the Federal guidelines and inadequate review of the refund calculation was performed.

***Effect:***

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

***Questioned Costs:***

\$10,669

***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 agrees. The University has identified the issues that caused the delay and calculation of returned funds. Effective immediately, the financial Aid department will collaborate with the University's Information Technology, Registrar and Bursar departments to develop an automated monthly report that will promptly identify the students for which a return of Title IV assistance is required as well as calculate the correct unearned amount of Title IV assistance to be returned. This report will also provide the required information to ensure that funds are returned timely. This will be completed by April 30, 2011.

***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, 2010**

**Finding 2010 – 14**

**Morgan State University**

**Student Financial Aid Cluster**

**CFDA No. 84.063-Federal Pell Grant Program (PELL)**

**CFDA No. 84.033-Federal Work Study Program (FWS)**

**CFDA No. 84.268-Federal Direct Student Loans (FDLP)**

**CFDA No. 84.038-Federal Perkins Loans (FPL)**

**CFDA No. 84.007-Federal Supplemental Educations Opportunity Grants (FSEOG)**

**CFDA No. 84.375-Academic Competitiveness Grants (ACG)**

**CFDA No. 84.376-National Science and Mathematics Access to Retain Talent (Smart)  
Grants**

**CFDA No. 84.379-Teacher Education Assistance for College and Higher Education Grants  
(TEACH Grants)**

**U.S. Department of Education**

**Compliance and Internal Control Deficiency Over Student Status Changes**

***Criteria:***

Per OMB Circular A-133:

Schools must complete and return the Student Status Confirmation Report (SSCR) at least twice a year. The school 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 to the National Student Loan Data System (NSLDS) web site.

***Condition:***

During our testing, we noted six of thirty-four students selected were incorrectly classified and reported in the NSLDS database. Each of the six students graduated from the University, but three were incorrectly reported as attending full time and three were incorrectly reported as withdrawn.

***Cause:***

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

***Effect:***

The Department of Education could continue to process information for student's no longer in attendance.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 – 14** (continued)

***Questioned Costs:***

None

***Recommendation:***

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

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

The University agrees. The University determined that the best way to address this problem is to utilize the National Student Clearinghouse, which it began to do during fiscal year 2011. The University is confident that this system will mitigate the risk of such errors recurring in the future. Moreover, the University is double checking the parameters for the required data to ensure that data extracted from our student information system and transmitted is consistent with the needs of the Clearinghouse.

***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, 2010

#### Finding 2010 - 15

##### University System of Maryland – University of Maryland Eastern Shore

###### Student Financial Aid Cluster

CFDA No. 84.063-Federal Pell Grant Program (PELL)

CFDA No. 84.033-Federal Work Study Program (FWS)

CFDA No. 84.268-Federal Direct Student Loans (FDLP)

CFDA No. 84.038-Federal Perkins Loans (FPL)

CFDA No. 84.007-Federal Supplemental Educations Opportunity Grants (FSEOG)

CFDA No. 84.375-Academic Competitiveness Grants (ACG)

CFDA No. 84.376-National Science and Mathematics Access to Retain Talent (Smart)  
Grants

CFDA No. 84.032-Federal Family Educational Loans (FFEL)

CFDA No. 84.379-Teacher Education Assistance for College and Higher Education Grants  
(TEACH Grants)

CFDA No. 93.342-Health Professions Student Loans, Including Primary Care Loans/Loans  
for Disadvantaged Students

CFDA 93.364-Nursing Student Loans

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

##### Compliance and Internal Control Deficiency on Return of Title IV Funds

###### *Condition:*

During our testing of Return of Title IV funds, we reviewed the refund calculations for 40 students. For two of the students selected, the calculation of the unearned amount of Title IV assistance was not in accordance with Federal regulations.

###### *Criteria:*

Per 34 CFR Section 668.22 states, 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 earned as of the student's withdrawal date or the date the school discovers 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. 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.

###### *Cause:*

University of Maryland Eastern Shore erroneously transposed the semester dates used to calculate the unearned amount of Title IV funds and that error was not detected due to inadequate review.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 15** (continued)

***Effect:***

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

***Questioned Costs:***

Questions costs are undeterminable.

***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.

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

We agree with this finding. The discrepancy in the date was a typographical error in the transposition of the numbers (i.e. – 5/12/10 vs. 5/21/10). UMES recalculated the return of title IV funds using the correct date which resulted in an additional return of \$7 in Federal PELL grant for one student and \$41 in unsubsidized federal direct loan for the other. All funds have been returned to the U.S. Department of Education.

***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, 2010**

**Finding 2010 - 16**

**University System of Maryland – University of Maryland Eastern Shore**

**Student Financial Aid Cluster**

**CFDA No. 84.063-Federal Pell Grant Program (PELL)**

**CFDA No. 84.033-Federal Work Study Program (FWS)**

**CFDA No. 84.268-Federal Direct Student Loans (FDLP)**

**CFDA No. 84.038-Federal Perkins Loans (FPL)**

**CFDA No. 84.007-Federal Supplemental Educations Opportunity Grants (FSEOG)**

**CFDA No. 84.375-Academic Competitiveness Grants (ACG)**

**CFDA No. 84.376-National Science and Mathematics Access to Retain Talent (Smart)  
Grants**

**CFDA No. 84.032-Federal Family Educational Loans (FFEL)**

**CFDA No. 84.379-Teacher Education Assistance for College and Higher Education Grants  
(TEACH Grants)**

**CFDA No. 93.342-Health Professions Student Loans, Including Primary Care Loans/Loans  
for Disadvantaged Students**

**CFDA 93.364-Nursing Student Loans**

**U.S. Department of Education**

**Compliance and Internal Control Deficiency Over Verification**

***Condition:***

During our testing of Verification, we reviewed third party documentation obtained by the University to collaborate information submitted to the Department of Education (DE). For one out of 15 of the students selected for verification, the supporting documentation did not collaborate information that was submitted to the DE to calculate the student's expected family contribution (EFC). Amount awarded to this student was \$3,400 for the term in question.

***Criteria:***

Per 34 CFR section 668.55 states, in part, that the institution shall require applicants to verify any information used to calculate an applicant's EFC that the institution has reason to believe is inaccurate. Generally, the information that must be updated is the number of family members, number of family members attending postsecondary educational institutions, and the applicant's dependency status.

***Cause:***

University of Maryland Eastern Shore did not perform a review sufficient to identify discrepancies between the third party support and information submitted to DE.

***Effect:***

This error resulted in a student receiving inaccurate amount of aid.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 16** (continued)

***Questioned Costs:***

Questions costs are undeterminable.

***Recommendation:***

We recommend that the University strengthen its internal controls over the verification process. These controls should consist of proper documentation, supervision, and review of third party support.

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

We agree with this finding. The file in question was not properly verified by the financial aid counselor. Upon identification by the auditor, the Director of Financial Aid processed the appropriate verification and reversed ineligible funds.

Corrective Action - Supervisory personnel independent of financial aid will make the random selections from a list of financial aid recipients provided by Administrative Computing. Office of Student Financial Aid (OSFA) personnel without award update capability will conduct the audit of the awards, and the audit will be verified by the Vice President for Administrative Affairs and/or designee. These procedures will be effective for the mid-term audit to be conducted Fall 2011.

***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, 2010

#### Finding 2010 - 17

##### University System of Maryland – University of Maryland Eastern Shore

###### Student Financial Aid Cluster

CFDA No. 84.063-Federal Pell Grant Program (PELL)

CFDA No. 84.033-Federal Work Study Program (FWS)

CFDA No. 84.268-Federal Direct Student Loans (FDLP)

CFDA No. 84.038-Federal Perkins Loans (FPL)

CFDA No. 84.007-Federal Supplemental Educations Opportunity Grants (FSEOG)

CFDA No. 84.375-Academic Competitiveness Grants (ACG)

CFDA No. 84.376-National Science and Mathematics Access to Retain Talent (Smart) Grants

CFDA No. 84.032-Federal Family Educational Loans (FFEL)

CFDA No. 84.379-Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)

CFDA No. 93.342-Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students

CFDA 93.364-Nursing Student Loans

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

###### Compliance Deficiency Over Student Status Changes

###### *Condition:*

During our testing of student status changes, we reviewed the data that was submitted to the National Student Loan Data System (NSLDS) for student status changes. For two students who had changes after the initial roster submission, status information was manually updated in error by the National Student Clearinghouse (NSC), a third party servicer. We also noted students whose status per the NSLDS database was not supported by the records of the institution.

###### *Criteria:*

Per 34 CFR Section 682.610 for FFEL and 34 CFR Section 685.309 for Direct Loans, the Student Status Confirmation Report (SSCR) should be transmitted electronically to NSLDS. Under the FFEL and Direct Loan programs, schools must complete and return within 30 days of receipt, the SSCR sent by Department of Education (DE) or a guaranty agency. The institution determines how often it receives the SSCR, 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 SSCR 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.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 17** (continued)

***Cause:***

Manual adjustments to the SCCR were not processed in a timely manner. Information submitted by the institution to NSC was not properly submitted to the NSLDS.

***Effect:***

This error resulted in student's status being inaccurately reported to the NSLDS.

***Questioned Costs:***

Questions costs are undeterminable.

***Recommendation:***

We recommend the University to review the process and controls surrounding the reporting of student status changes to the NSLDS.

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

We agree with this finding. Students whose degree records were updated manually to the National Student Clearinghouse (NSC), a third-party servicer, did not have their enrollment history updated which affected inaccurate reporting to NSLDS. The enrollment history for these students was not updated in a timely manner because the University of Maryland Eastern Shore (UMES) was unaware that NSC had changed their procedure for handling manual updates. Since then, the NSC's process for manual updates prompts the user immediately after a student's degree record is entered manually to update the student's enrollment history. UMES has corrected the records of the students tested that were not updated and is working with the National Clearinghouse to ensure the enrollment history is accurate for all students who were manually updated during this period.

Since being made aware of the new process required for manual degree updates via NSC, UMES has been updating the enrollment history of graduated students immediately after manually updating degree information. In addition, a printout of the degree information submitted for each student is printed after entering, as is the enrollment history update. After a minimum of 48 hours, UMES will review NCS data for the accuracy of each manual degree update.

***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, 2010**

**Finding 2010 - 18**

**University System of Maryland – University of Maryland Eastern Shore**

**Student Financial Aid Cluster**

**CFDA No. 84.063-Federal Pell Grant Program (PELL)**

**CFDA No. 84.033-Federal Work Study Program (FWS)**

**CFDA No. 84.268-Federal Direct Student Loans (FDLP)**

**CFDA No. 84.038-Federal Perkins Loans (FPL)**

**CFDA No. 84.007-Federal Supplemental Educations Opportunity Grants (FSEOG)**

**CFDA No. 84.375-Academic Competitiveness Grants (ACG)**

**CFDA No. 84.376-National Science and Mathematics Access to Retain Talent (Smart) Grants**

**CFDA No. 84.032-Federal Family Educational Loans (FFEL)**

**CFDA No. 84.379-Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)**

**CFDA No. 93.342-Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students**

**CFDA 93.364-Nursing Student Loans**

**U.S. Department of Education**

**Compliance and Internal Control Deficiency Over Student Loan Repayment**

***Condition:***

During our testing of student loan repayment, we reviewed whether the institution performed an exit interview with borrowers before the individual leaves the institution. There was one instance out of 3 where there was no evidence that the exit interview was conducted.

***Criteria:***

Per 34 CFR Section 674.42, institutions must exercise due care and diligence in the collection of loans. The institution must disclose information related to the debtor, balances owed and interest rate in a written statement provided to the borrower either shortly before the borrower ceases at least half-time study at the institution or during the exit interview.

***Cause:***

The University did not retain sufficient records supporting the occurrence of the exit interview.

***Effect:***

Students may leave the University without knowledge related to the repayment terms of their applicable debt and loan repayments may not be timely as the repayment plan was not established before the borrower leaves the institution.

**STATE OF MARYLAND**

**Schedule of Current Year Findings and Questioned Costs  
Year Ended June 30, 2010**

**Finding 2010 - 18** (continued)

***Questioned Costs:***

None.

***Recommendation:***

We recommend that the University strengthen its internal control procedures over the exit interview process. These controls should consist of proper documentation and supervision within the required time frames.

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

We agree with this finding. The Perkins loan exit counseling log indicates that the student attended an exit counseling session and completed an exit package, but the paperwork was missing from the file. The Financial Aid Accounting staff was unable to locate the paperwork after conducting an intensive search. In response to this finding, additional steps will be implemented to avoid this situation from happening again. A copy of the exit counseling package will be made and filed in the borrower's file prior to the exit counseling session being held. The exit counseling package will be included on the individual student folder checklist, and it will be reviewed and signed off by the Financial Aid Accountant. Once the exit counseling session/exit package is completed by the borrower, it will be filed immediately and the Financial Aid Accountant will review the file for completion.

***Auditor's Conclusion:***

Based on the above, the finding remains as stated.

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

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009-1**

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

**Medical Assistance Program (Medicaid Cluster)  
CFDA No. 93.775, 93.776, 93.777, 93.778**

**US Department of Health and Human Services**

**Compliance deficiency over the allowable cost/cost principles – Third Party Liability  
(Insurance Recoveries)**

***Condition:***

During the audit we noted a case file was missing for testing of insurance recoveries. The case file would have included a screen shot of the recipient's eligibility status, copy of absent parent screen and any other supporting documentation and actions taken to verify if the participant had insurance coverage during the time of Medicaid service.

***Criteria:***

OMB A-133 states that "States must have a system to identify medical services that are the legal obligation of third parties, such as private health or accident insurers. Such third-party resources should be exhausted prior to paying claims with program funds. Where a third-party liability is established after the claim is paid, reimbursement from the third party should be sought.

***Cause:***

A case file was not prepared for the Medicaid recipient by the Insurance Recoveries department within DHMH.

***Effect:***

Although the participant's name was identified on the exception report (2583 Interface Summary), there was no indication that the department gathered documentation or verified a third party liability insurer could be responsible for a portion of the medical costs received during a specific time period. This could potentially cause DHMH to understate or overstate recoveries which impact the expenditures identified on the CMS 64 (Centers for Medicare & Medicaid Services).

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that DHMH comply with established Federal and State regulations for determining third party liability insurers, including obtaining and maintaining the required documentation and performing verifications to support any required reimbursement decisions.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009- 1 (continued)**

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

The Department concurs with the recommendation. The Medical Assistance (MA) recipient's name appeared on the summary report; however, the actual referral could not be found. The normal process is to photocopy the summary page and use it as the referral. Thirty days from the receipt stamp date on all CARES reports, the Coordination of Benefits (COB) Coordinator checks 10% of the MA case numbers listed on the reports to verify that the validation process has begun. If the validation process has not begun within sixty days, the COB Coordinator refers the report to the supervisor for follow-up.

Additionally, the sampling method, which has been used for the last year or so, where the COB Coordinator checks 10% of the MA case numbers listed on the reports to verify that the validation process has begun is insufficient. As a result, The Department is considering increasing the sampling percentage to reduce the possibility of missing files and review this process periodically to determine the effectiveness of the results.

***Auditee's Updated Response (October 2010 Update):***

The Division of Recoveries and Financial Services is continuing enhanced sampling and surveillance to ensure compliance with established Federal and State regulations for determining third party liability insurers, including obtaining and maintaining the required documentation and performing verifications to support any required reimbursement decisions.

***Auditor's Comment:***

There were no issues noted during the 2010 single audit.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009-2**

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

**Medical Assistance Program Medicaid Cluster  
CFDA No. 93.775, 93.776, 93.777, 93.778**

**US Department of Health and Human Services**

**Compliance and internal control deficiency over the eligibility determination process.**

***Condition:***

On July 1, 1985 the Maryland State Department of Health and Mental Hygiene (DHMH) entered into an agreement with the Maryland State Department of Human Resources (DHR). DHR agreed to determine eligibility for Medical Assistance on a uniform basis throughout the State for persons who are indigent or medically indigent according to regulations, guidelines and procedures established by DHMH.

We selected a total of 65 Medical Assistance claim files to review for eligibility determination. These 65 files were comprised of 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Caroline County, Queen Anne's County, Montgomery County, and Frederick County. The test was composed of a selection of 8 newly established recipients and 5 existing recipients. All claims were processed during the fiscal year ended June 30, 2009. We noted the following exceptions:

**Baltimore City**

For Baltimore City we found 8 non compliance issues, they are as follows:

There are 2 files that were not recovered for review and testing (1 newly/1existing). We noted for 3 files a review of the Agency's decision was not made in the allotted 45 days (2 newly/1 existing). One newly eligible file did not have a signed application nor did it have citizenship status documented. Two of the newly eligible files did not have a noted decision made in file. We also noted one of the newly eligible files had no narration of the case during the time of the period of coverage.

**Frederick County**

Internal control deficiency in that one of the eight newly eligible files could not be located.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009-2 (continued)

#### Caroline County

For one of the files a review of the Agency's decision was not made in the allotted 45 days and there was no notice of approval for spend-down category.

#### Queen Anne's County

For one of the files a review of the Agency's decision was not made in the allotted 45 days.

#### Montgomery County

For one of the files a review of the Agency's decision was not made in the allotted 45 days.

#### *Criteria:*

42 CFR 435.907 (a) states, "The agency must require a written application from the applicant, an authorized representative, or if the applicant is incompetent or incapacitated, someone acting responsibly for the applicant."

42 CFR 435.948 (a) states, "Except as provided in paragraphs (d), (e), and (f) of this section, the agency must request information from the sources specified in this paragraph for verifying Medicaid eligibility and the correct amount of medical assistance payments for each applicant (unless obviously ineligible on the face of his or her application) and recipient. The agency must request, among other things:

- (1) State wage information maintained by the State Wage Information Collection Agency (SWICA) during the application period and at least on a quarterly basis.
- (2) Any additional income, resource, or eligibility information relevant to determinations concerning eligibility or correct amount of medical assistance payments available from agencies in the State or other States administering the following programs as provided in the agency's State plan:
  - i. Aid to Families with Dependent Children (AFDC);
  - ii. Medicaid;
  - iii. State-administered supplementary payment programs under Section 1616(a) of the Act;

#### *Recommendation:*

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

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs

Year Ended June 30, 2010

Finding 2009-2 (continued)

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

DHMH agrees with the recommendation that Local Health Departments (LHD) and Local Departments of Social Services (LDSS) comply with requirements of federal law relating to determinations of eligibility, including obtaining required documentation and performing verifications to support eligibility decisions.

DHMH will work with DHR on issues with maintaining documentation and transferring case records between local departments, including follow-up with each cited local department, sending out system broadcast messages and an information memorandum highlighting the issues to all eligibility workers, and adding appropriate items to the agenda for regularly scheduled Regional Training sessions.

#### *Auditee's Updated Response (October 2010 Update):*

DHMH followed up with each cited local department about their respective findings in November 2009. We have also worked with the Maryland Department of Human Resources (DHR) and the local departments to ensure that managers and supervisors of Case Managers have access to DataWatch. In November 2009 and March 2010, we held regional "refresher" training sessions highlighting the documentation, verification and other requirements that appeared in Findings 2009-2 and 2009-3. In September 2010, DHMH and DHR jointly issued to all eligibility workers an information memorandum (IM11-05) which provided "tips" on avoiding errors from prior audit findings (and similar/related errors). We have continued to highlight the avoidance of the errors in this finding in regional refresher training, including sessions in September and October, 2010.

#### *Auditor's Comment:*

See finding 2010-1

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009-3**

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

**State Children's Insurance Program (SCHIP)  
CFDA No. 93.767**

**US Department of Health and Human Services**

**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 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, Caroline County, Queen Anne's County and Montgomery 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, 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.

***Condition:***

**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, 2010 Finding 2009-3 (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:

8. Children under age 19
9. Countable income is at or below 200% of the federal poverty level (FPL)
10. Pregnant women of any age whose countable income is at or below 250% FPL
11. Current resident of the State of Maryland
12. Applicants are required to provide a Social Security Number or apply for a Social Security Number
13. A U.S. Citizen
14. Qualified aliens, as defined at 8 USC 1641, who entered the US 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, 2010  
Finding 2009-3 (continued)**

***Auditee's Updated Response (October 2010 Update):***

DHMH followed up with each cited LHD in November 2009. We addressed the errors cited at DHMH's Maryland Children's Health Program (MCHP) Quarterly meetings, attended by supervisors of the eligibility staff. We added the errors to our agendas for Regional Training (targeted to all eligibility workers, Local Department of Social Services and LHD) in November 2009 and March 2010. We also performed onsite training sessions to work more closely with LHD Case Managers. Additionally, we have improved and formalized our process for following up on troubling compliance reports, including requesting LHD supervisors to submit corrective action plans, and monitoring the effects of these corrective actions. In September 2010, the LHD workers received an information memorandum highlighting the types of errors reported, issued jointly with Maryland Department of Human Resources as IM 11-05. We have continued emphasizing these issues in Regional Training in September and October 2010.

***Auditor's Comment:***

See finding 2010-1

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009-4**

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

**Medical Assistance Program (Medicaid Cluster)  
CFDA No. 93.775, 93.776, 93.777, 93.778**

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

**Internal Control deficiency over Surveillance and Utilization Review Subsystems (SURS)**

***Condition:***

According to the SURS Case Completion Guidelines, cases should be reviewed, resolved, and closed within a 90-day time period. There are only three circumstances that would allow for an exception. And these circumstances must be documented on the SURS case log. They are:

1. Awaiting documentation
2. Records sent to another Agency for review
3. Awaiting full recoveries of monies

Also, the case files should be updated to reflect the current status of the case. Upon completion of the case review, the SURS case log should be signed by the Program Director and the SURS Manager. The SURS unit failed to update 15 out of 25 case records if cases were not closed within the 90-day time frame allowed and 17 out of 25 were not signed by the Program Manager and/or SURS Manager.

***Criteria:***

OMB Circular A-133, Part 4- Department of Health and Human Services-Compliance Supplement, Section N. (1) indicates, "The State plan must provide methods and procedures to safeguard against unnecessary utilization of care and services, including long term care institutions. According to 42CFR parts 455, 456, 1002, "The state must have (1) methods or criteria for identifying suspected fraud cases; (2) methods for investigating these cases; and (3) procedures developed in cooperation with legal authorities, for referring suspected fraud cases to law enforcement officials.

In order to evaluate the appropriateness and quality of Medicaid services, the agency must:

- Establish and use written criteria for evaluating the appropriateness and quality of Medicaid services
- Have procedures for the ongoing post-payment review, on a sample basis, of the need for and the quality and timeliness of Medicaid Services

As an internal control process implemented in the SURS unit, a supervisor reviews all of the above as prepared by the case worker. The review is signed off by the supervisors.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs

Year Ended June 30, 2010

Finding 2009- 4 (continued)

#### *Cause:*

The SURS Unit could not show evidence of case updates, reviews, or supervisory signatures within the 90-day timeframe. This time frame was established in the guidelines developed by the SURS unit per the state plan requirements.

#### *Effect:*

DHMH cannot provide CMS assurance that the SURS program is effective in reducing erroneous expenditures.

#### *Questioned Costs:*

Unknown

#### *Recommendation:*

We recommend that DHMH follow the criteria outlined in 42CFR parts 455, 456, and 1002 by updating the selected active case files with proper comments and providing the supervisory review to make sure the determinations were appropriate.

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

The Department concurs that there were cases out of compliance according to the Guidelines for SURS Case Completion. However, the Guidelines for SURS Case Completion Procedures have been in place since the inception of SURS and are currently under revision by the OIG. The guidelines are not currently being used because they were established under the Health

Care Financing Administration's (HCFA) System Performance Review (SPR). SPR required the unit open and resolve large numbers of cases on a quarterly basis. Therefore, the original case guidelines were developed with that goal in mind. Congress repealed the SPR requirements in 1997 with Section 4753 of the Balanced Budget Act (BBA) of 1997. This was done to allow States greater flexibility to concentrate on developing and working more substantive cases.

Upon its relocation to the OIG, the Program Integrity Unit began drafting a comprehensive policy and procedure manual. The procedure manual has not yet been formally approved. The staff person tasked with completing the manual left the Department and was not replaced. More importantly, with the passage of the Deficit Reduction Act of 2005 and the creation of the Medicaid Integrity Group at the federal level, program integrity has been fluid and dynamic. Certain program integrity concepts were developing and changing at the federal level as the OIG's manual was being drafted. The OIG is currently awaiting the results of a review conducted by CMS' Medicaid Integrity Group of our PIU. Pending those results, OIG management will take corrective action to ensure that the manual is completed and approved by the close of the fiscal year. And that particular cases cited are brought into compliance with the revised SURS case guidelines.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009- 4 (continued)

#### *Auditee's Updated Response (October 2010 Update):*

The Maryland Department of Health and Mental Hygiene's Office of Inspector General (OIG) has received draft results of the review conducted by the Center for Medicare and Medicaid Services' (CMS') Medicaid Integrity Group. Understanding the repeal of System Performance Review (SPR), that group did not cite the Program Integrity Unit's (PIU's) failure to meet the 90-day rule as a finding. The OIG-PIU is still working on a procedure manual, however, the unit has completed an algorithm tracking database that has moved from a design phase to a testing phase after some unexpected software delay issues. The OIG now has the ability to record and store new and existing algorithms in a way that allows for identification of those staff persons directly responsible for producing the corresponding SURS data run. This is the first step in developing a comprehensive policy/procedure manual. Current testing is now occurring to ensure future production responsibility can be projected and assigned as appropriate. We anticipate having the manual completed by March 2011.

#### *Auditor's Comment:*

We agree correction action plan is still in process.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009-5**

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

#### **Substance Abuse Prevention and Treatment Block Grant CFDA No. 93.959**

#### **U.S. Department of Health and Human Services**

#### **Compliance and Internal Control deficiency over SubRecipient Monitoring**

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

The Substance Abuse Prevention and Treatment Block Grant program is administered by the Alcohol and Drug Abuse Administration (ADAA), which is a division of the Department of Health and Mental Hygiene (DHMH). The division director for ADAA indicated that compliance reviews of the sub-recipients are conducted bi-annually. Upon completion of these reviews, if necessary, a corrective action plan must be sent from the Local Health department (LHD) or private vendor ("sub-recipient"). The corrective action plan should be approved or disapproved by ADAA and sent back to them. We reviewed twenty-five (25) files that contain documents related to the award of Federal funds to sub-recipients to obtain reasonable assurance that site visits to evaluate the program were conducted in accordance with the General Requirements of OMB A-133 and the conditions of the grant award imposed by ADAA. We noted that of the twenty-five files reviewed there were two (2) files that required corrective action plans but ADAA failed to obtain a corrective action plan from any of the sub-recipients. Although there were no corrective action plans, we did note that there were follow-ups identified.

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

OMB Circular A-133, General Requirements, Part 3, subpart M, states in pertinent part that during the award a pass-through entity is responsible for "monitoring the sub-recipient's use of Federal awards through...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." In addition, when there are findings as a result of the compliance review, ADAA's letter requires the sub-recipient to "make the necessary corrections in your program's procedures and submit a copy of your plan of correction...within thirty (30) days of the date of this letter."

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

DHMH failed to perform site visits in accordance with OMB A-133 and the internal control procedures in place, and failed to document other means of evaluating the program services performed by sub-recipients.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009- 5 (continued)

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

Awards were made to sub-recipients without proper follow-up through site visits to ensure that the sub-recipients were complying with applicable laws, regulations and grant requirements.

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

Unknown

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

We recommend that DHMH adhere to the provisions of OMB Circular A-133, with site visits and follow-up on its findings as called for in OMB Circular A-133 and in its agreement with LHD and private vendors.

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

With the two sub-recipient site visits in question, the ADAA conducted its site visits as scheduled and noted that corrections by the sub-recipients were necessary. However, neither of the deficiencies by the sub-recipients rose to the level of requiring a corrective action plan. When deficiencies are noted but a corrective action plan is not required, the ADAA reviews the deficiency at the next site visit for correction. Neither a corrective action plan nor any other written response by the sub-recipient was requested by the ADAA because the level of non-compliance was low, it had not been noted as a past deficiency, and posed no threat to health or safety.

#### ***Auditee's Updated Response (October 2010 Update):***

The Department's previous response and corrective action plan remains unchanged. With the two sub-recipient site visits in question, the ADAA conducted its site visits as scheduled and noted that corrections by the sub-recipients were necessary. However, neither of the deficiencies by the sub-recipients rose to the level of requiring a corrective action plan. When deficiencies are noted but a corrective action plan is not required, the ADAA reviews the deficiency at the next site visit for correction. Neither a corrective action plan nor any other written response by the sub-recipient was requested by the ADAA because the level of non-compliance was low, it had not been noted as a past deficiency, and posed no threat to health or safety.

#### ***Auditor's Comment:***

See finding 2010-6

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009-6**

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

**Substance Abuse Treatment and Prevention Block Grant  
CFDA No. 93.959**

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

**Compliance related to Independent Peer Review.**

***Condition:***

The Alcohol and Drug Abuse Administration (ADAA), which is a division of the Department of Health and Mental Hygiene (DHMH), hires private contractors to perform its peer review functions. The selection of a particular contractor is made from an established list of approved vendors. However, once a selection of a contractor is made, there is no documentation of the independence of that contractor with respect to the sub-recipient that he or she is asked to review.

***Criteria:***

OMB Circular A-133 Part IV, paragraph III, subparagraph N of the specific requirements for the Substance Abuse Prevention and Treatment Block Grant program provides in pertinent part “the State must provide independent peer reviews which assess the quality, appropriateness, and efficacy of treatment services provided to individuals.” The requirements further provide “the State shall ensure that the peer reviewers are independent by ensuring that the peer review does not involve reviewers reviewing their own programs and the peer review is not conducted as part of the licensing or certification process.”

***Cause:***

DHMH failed to document the independence of its peer reviewers in accordance with the compliance requirement specified in OMB Circular A-133 Part IV.

***Effect:***

Awards are made to sub-recipients whose programs are reviewed by contractors that may not be independent of those sub-recipients. This could lead to noncompliance with laws and regulations.

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that DHMH develop a mechanism, such as an affidavit or independence letter requirement, for contractors to establish their independence with respect to the sub-recipient they are asked to review in order to adhere to the provisions of OMB Circular A-133.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009-6 (continued)**

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

The ADAA developed an affidavit as required by the audit performed for Fiscal Year ending June 30, 2008. This affidavit was reviewed by the Maryland State Attorney General's office and approved for use by the ADAA. The ADAA changed its policy whereby all independent peer reviewers would sign the affidavit prior to performing a peer review. A copy of the affidavit was given to the auditor.

No peer reviews have been conducted by the ADAA since that audit recommendation was made. For FY 2010, peer reviews are scheduled to occur in the fourth quarter of this fiscal year, and all peer reviewers will sign the approved affidavit prior to conducting the review.

***Auditee's Updated Response (October 2010 Update):***

The ADAA developed an affidavit as required by the audit performed for Fiscal Year ending June 30, 2008. This affidavit was used for Fiscal Year 2011, independent peer reviewers. The first affidavit was signed June 24, 2010, for the July 8, 2010, peer review.

***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009-7**

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

**Student Financial Assistance Cluster**

**CFDA No. 84.007 Federal Supplemental Education Opportunity Grant**  
**CFDA No. 84.063 Federal Pell Grant Program**  
**CFDA No. 84.033 Federal Work Study Program**  
**CFDA No. 84.038 Federal Perkins Loan Program**  
**CFDA No. 84.375 Academic Competitiveness Grant**

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

**Internal Control and Non-Compliance with Federal requirements over the return of Title IV funds.**

***Condition:***

During testing of return of Title IV funds, we noted 2 occurrences where the College did not return Title IV funds within the timeframe established by guidelines in the OMB Circular A-133, some being returned up to a year later than required.

***Criteria:***

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 aid earned by the student as of the student's withdrawal date. If the total amount of the Title IV assistance earned by the student is less than the amount that was disbursed to the student on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs as outlined in this section and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal disbursement (34CFR Sections 668.22(a) (1)-(3)). Post-Withdrawal disbursements must be made from available grant funds before available loan funds. If the institution wishes to credit the student's account with a post-withdrawal disbursement of loan funds or wishes to pay a post-withdrawal disbursement of either loan or grant funds directly to the student, or parent in the case of a parent PLUS loan, the institution must, within 30 days of the date the institution determines that the student withdrew, send a written notification to the student.

***Cause:***

The College lacked effective monitoring over compliance to ensure that the return of Title IV funds are being disbursed properly and on a timely basis.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009-7 (continued)

***Effect:***

Without proper monitoring of controls over the return of Title IV funds, the College failed to return Federal funds in the required timeframe. The possibility then exists that interest would be accrued by the Federal Government.

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that the College comply with the return of the Title IV funds process. Additional supervisory and/or management level review and approval may help to ensure that funds are returned in a timely manner.

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

The College agrees to comply with the return of Title IV funds process. The Financial Aid Office and the Business Office receive daily electronic notifications from the Office of Academic Services when students withdraw. Refund calculations are performed using Return of Title IV Funds on the Web. This software calculates and manages the return of Title IV Funds in compliance with the Department of Education's Student Assistance General Provisions. On a monthly basis the Director of Financial Aid accesses a report from the Office of the Registrar to review all students who have withdrawn, determines if these students were recipients of Title IV Financial Assistance, determines if a Title IV Refund calculation was necessary and verifies the refunds were performed in a timely manner.

***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009-8

#### Maryland State Department of Education (MSDE)

**CFDA 84.027 Special Education - Grants to States (IDEA, Part B)**  
**CFDA 84.173 Special Education - Preschool Grants (IDEA, Preschool)**  
**CFDA 84.391 Special Education - Grants to States (IDEA, Part B), Recovery Act**  
**CFDA 84.392 Special Education - Preschool Grants (IDEA, Part B), Recovery Act**

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

**MSDE is not in compliance with the formula distribution for grants to Local Education Agencies (LEA).**

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

MSDE is required to use a formula to distribute grants to LEAs. USDE provides MSDE with an allocation table which lists the required and maximum set-asides to be deducted from the total grant award. One of the required set-asides is the LEA base allocation which represents the amount the LEA would have received from the federal fiscal year 1999 appropriation if the State had distributed 75% of its grant for that year to the LEAs.

The Hickey School was a State run facility which closed during State fiscal year 2006. The base amount allotted to the children receiving special education funds from the Hickey School should have been reallocated to the other LEAs or administrative responsibility areas which began to serve the children once the Hickey School closed; however, the base amount allocated to the Hickey School was improperly deducted from the LEA base allocation.

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

Each year, the USDE also provides the IDEA, Preschool program with an updated allocation table which lists the total grant award and the maximum set-asides which can be deducted from the total grant award. MSDE did not use the Federal Fiscal Year (FFY) 2008, (State Fiscal Year (SFY) 2009) allocation table to calculate grants to LEAs, but instead used the calculation from the FFY 2006 (SFY 2007) allocation tables.

MSDE did not reperform the calculation for SFY 2009 and has been issuing grants to the LEAs based on the FFY 2006 total grant award. Since MSDE did not reperform the calculation for SFY 2009, MSDE did not obtain updated special education child counts, the population counts or poverty counts which would be required for the SFY 2009 formula grant calculation.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009- 8 (continued)

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

Chapter 34 of the Code of Federal Regulations Section 300.705 (2) (iii) states:

“If, for two or more LEAs, geographic boundaries or administrative responsibility for providing services to children with disabilities ages 3 through 21 change, the base allocations of affected LEAs must be redistributed among affected LEAs based on the relative numbers of children with disabilities ages 3 through 21, or ages 6 through 21 if a State has had its payment reduced under Sec. 300.703(b), currently provided special education by each affected LEA”

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

Chapter 34 of the Code of Federal Regulation Section 300.816(c) states:

“After making allocations under paragraph (a) of this section, the State must--

(1) Allocate 85 percent of any remaining funds to those LEAs on the basis of the relative numbers of children enrolled in public and private elementary schools and secondary schools within the LEA's jurisdiction; and

(2) Allocate 15 percent of those remaining funds to those LEAs in accordance with their relative numbers of children living in poverty, as determined by the State Educational Agency.”

Further,

“For the purpose of making grants under this section, States must apply on a uniform basis across all LEAs the best data that are available to them on the numbers of children enrolled in public and private elementary and secondary schools and the numbers of children living in poverty.”

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

MSDE did not properly allocate Individuals with Disabilities Education Act (IDEA), Part B or IDEA, Preschool funds to LEAs.

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

Because the LEA base allocation was improperly changed, the remaining excess funds were improperly allocated to the LEAs.

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

Because the Federal Fiscal Year 2006 allocation table granted MSDE a larger award than the Federal Fiscal Year 2008 allocation table, it appears that MSDE used an incorrect Allocation sheet in determining the pass-through to the LEAs.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009 – 8 (continued)**

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that MSDE only use the documentation provided annually by the USDE to calculate required set-asides including LEA base allocations, maximum administration allocations and maximum discretionary fund allocations.

***Auditee Updated Response and Corrective Action Plan (November 8, 2010, Update):***

During State Fiscal Year 2010 (Federal Fiscal Year 2009) the MSDE used the appropriate Fiscal Year Allocation Tables provided by U.S. Department of Education (USDE) and will continue to do so for future years.

***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009 –9**

**University System of Maryland – University of Maryland, University College**

#### **Student Financial Aid Cluster**

**CFDA No. 84.063-Federal Pell Grant Program (PELL)**

**CFDA No. 84.033-Federal Work Study Program (FWS)**

**CFDA No. 84.268-Federal Direct Student Loans (FDLP)**

**CFDA No. 84.038- Federal Perkins Loans (FPL)**

**CFDA No. 84.007- Federal Supplemental Educations Opportunity Grants (FSEOG)**

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

#### **Return of Title IV Funds**

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

During our testing of Return of Title IV funds, we reviewed the refund calculations for 25 students. For one of the students selected, the calculation of the unearned amount of Title IV assistance was not in accordance with federal regulations. In addition, one of the title IV returns was not returned within 30 calendar days.

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

Per 34 CFR Section 668.22 states, 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 earned as of the student's withdrawal date withdrawals or the date the school discovers that the student has unofficially withdrawn. The unearned portion of Title IV funds must be returned to ED within 30 calendar days of the date the student officially withdrawals. 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.

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

University of Maryland University College omitted unearned direct loan disbursements from its calculation of return of title IV funds.

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

Without proper controls in place, there is no assurance that the correct amount of Title IV funds are being returned to Department of Education.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009 –9 (continued)**

***Questioned Costs:***

Questions costs are undeterminable.

***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.

***Auditee Updated Response and Corrective Action Plan (November, 2010 Update):***

The University of Maryland University College Financial Aid Office has been conducting reviews on a monthly basis of a sample population of Return of Title IV Funds since this finding. In the samples reviewed, there were no errors found.

***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009 – 10**

**University System of Maryland – University of Maryland, University College**

**Student Financial Aid Cluster**

**CFDA No. 84.063-Federal Pell Grant Program (PELL)  
CFDA No. 84.033-Federal Work Study Program (FWS)  
CFDA No. 84.268-Federal Direct Student Loans (FDLP)  
CFDA No. 84.038- Federal Perkins Loans (FPL)  
CFDA No. 84.007- Federal Supplemental Educations Opportunity Grants (FSEOG)**

**U.S. Department of Education**

**Borrower Data Transmission and Reconciliation (Direct Loans)**

***Condition:***

During our review of the borrower reconciliations for fiscal year 2009, we noted that the required monthly borrower reconciliations had not been completed for 2009. We understand that Management is currently performing monthly reconciliation between the Office of financial aid and the business office, and reconciles all disbursements at the end of the award year.

***Criteria:***

Per 34 CFR Section 685.102, 301, and 3939 an Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) within 30 days of disbursement. Each month, the COD provides institutions with a School Account Statement (SAS) data file which consists of a Cash Summary, Cash Detail, and (optional at the request of the school) Loan Detail records. The school is required to reconcile these files to the institution's financial records.

***Cause:***

University of Maryland University College has not developed a system to efficiently reconcile the institutions records with the Direct Loan Servicing System on a monthly basis as required.

***Effect:***

Without proper controls in place, there is no assurance that loan disbursements are properly identified and tracked by the University.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009-10 (continued)**

***Questioned Costs:***

Questioned costs are undeterminable.

***Recommendation:***

We recommend that the University put procedures in place to have these reconciliations performed and reviewed on a monthly basis in accordance with the Federal regulations.

***Auditee Updated Response and Corrective Action Plan (November, 2010 Update):***

The University of Maryland University College has made several changes to its reconciliation process for the Direct Loan program. PeopleSoft delivered reports are being utilized in order to systematically review all loans and to more easily identify any discrepancies between PeopleSoft and COD. This allows quicker and easier accurate corrections to be sent to COD. Additionally, all monthly reconciliation reports are being maintained along with detailed work notes for each student. Given that UMUC disburses Direct Loans daily, these reports are as clean as possible.

***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009 -11**

**CFDA 20.500, 20.507 – Federal Transit Cluster –American Recovery and Reinvestment Act (ARRA) Funds**

**U.S. Department of Transportation**

**Noncompliance Allowable Costs**

***Condition:***

During our allowable cost testing, we tested 40 transactions, representing \$3,150,980 in expenditures. Of the 40 tested, we found that 3 invoices, representing \$128,483, included Maryland State tax totaling \$2,210.

***Criteria:***

Taxes that a governmental unit is legally required to pay are allowable, except for self assessed taxes that disproportionately affect Federal programs or changes in tax policies that disproportionately affect Federal programs. This provision becomes effective for taxes paid during the governmental unit's first fiscal year that begins on or after January 1, 1998, and applies thereafter. (Office of Management and Budget(OMB) Circular No. A-87 Attachment A, Paragraph 40)

***Cause:***

The primary contractors included tax that was invoiced by sub-contractors.

***Effect:***

Maryland Transit Administration submits costs for reimbursement that are not allowable.

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that the Maryland Transit Administration informs project managers and contractors to ensure that Maryland state tax is not to be included on invoices.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009 – 11 (continued)**

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

The MTA does not concur with the original finding. Subsequent to the initial response to this Audit finding, research indicated that the costs paid by the MTA for Federally funded projects during the audit period were allowable costs. The Maryland State taxes that were at issue in the audit finding, in the amount of \$2,210, were credited to the Federal Transit Administration in June, 2010.

***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009-12

#### CFDA 20.205, 20.003 – Highway Planning and Construction Cluster

#### Noncompliance Suspension and Debarment

#### U.S. Department of Transportation

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

For each of the 25 contracts that received American Recovery and Reimbursement Act (ARRA) funds, we found no evidence that the State Highway Administration (SHA) verified the contractor's suspension/debarment status with the State of Maryland's Board of Public Works. For 8 of the 25 contracts that received non-ARRA funds, we found no evidence that SHA verified the contractor's suspension/debarment status with the Federal government. Also, for each of the 25 contracts that received non-ARRA funds, there was no evidence that SHA Verified the contractors' suspension/debarment status with the State of Maryland's Board of Public Works.

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

SHA should ensure they verify that all contractors of winning bids are not suspended or debarred from doing business with the Federal government or the State of Maryland by checking the federal website EPLS and the State of Maryland's Board of Public Works website. They should also ensure this verification is properly documented in the contract file.

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

We agree with the recommendations and new guidelines were issued on March 8, 2010 detailing the process for checking for debarment and the appropriate retention of documentation. By March 31, 2010 we will check the contracts noted by the auditors and ensure that the documentation is placed in the contract file.

##### ***Updated Auditee Response and Corrective Action Plan (March, 2010 Update):***

The 25 contracts referenced in the finding have been verified on the Maryland Board of Public Works website and documented in the contract file, and the 8 contracts referenced have been verified on the Federal government's website and documented also. In addition, new guidelines outlining the verification and documentation process for low bidders were issued in March, 2010 and have been subsequently become part of the Office of Construction procedural manual. The process has been reviewed by our internal audits section and has been found to be working as described.

##### ***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009-13

#### Department of Human Resources (DHR)

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

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

#### Noncompliance and Significant Deficiency over child support Inter- and Intra-State cases

##### *Condition:*

When the Child Support Administration division receives an interstate case and Maryland is responding state, within ten (10) calendar days Maryland's central registry must: acknowledge receipt of the case; ensure that all documentation received from the initiating state is complete; request any missing information necessary to process the case; forward the case to the correct local agency for location services or processing; and inform the initiating state where the case was sent for processing. In one (1) of the twelve (12) responding cases reviewed or 8.33% of cases, one or more of the actions required in the ten (10) day timeframe was not completed.

When Maryland's central registry receives an inquiry from a responding state pertaining to the case's status or for a review, the central registry has five (5) days to respond to the initiating state's request. In one (1) of the twelve (12) responding cases, or 8.33% of cases, Maryland's response to an initiating state's request for a case's status or for a review was not noted in the case file within five (5) days of receipt of the initiating state's inquiry.

After receiving the case from the central registry; within 75 days of receipt of an interstate child support enforcement transmittal form, the local agency must provide location services if the request is for location services. If the information provided is not adequate to locate the non custodial parent, the local agency must notify the initiating state if more information is needed to process the case or process the case to the extent possible pending necessary action by the initiating state. In one (1) of the twelve (12) responding cases, or 8.33% of cases, no location services was noted in the case file within seventy-five (75) days of receipt of the case.

This is a repeat finding from Fiscal Year 2006, Single Audit Report finding number 2006-5; Fiscal Year 2007, Single Audit Report finding number 2007-12 and Fiscal Year 2008, Single Audit Report finding number 2008-12.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009-13 (continued)

#### *Criteria:*

45 CFR 303.7 (a) (2) states that “Within 10 working days of receipt of an interstate IV-D case from an initiating State, the central registry must:

- (i) Ensure that the documentation submitted with the case has been reviewed to determine completeness;
- (ii) Forward the case for necessary action either to the State PLS for location services or to the appropriate agency for processing;
- (iii) Acknowledge receipt of the case and ensure that any missing documentation has been requested from the initiating State; and
- (iv) Inform the IV-D agency in the initiating State where the case was sent for action.”

45 CFR 303.7 (a) (4) states that “The central registry must respond to inquiries from other States within 5 working days of receipt of the request for a case status review.

45 CFR 303.7 (c) (4) within 75 calendar days of receipt of an Interstate Child Support Enforcement Transmittal Form, and documentation from its interstate central registry, the IV-D agency must:

- (i) Provide location services in accordance with Sec. 303.3 of this part if the request is for location services or the form or documentation does not include adequate location information on the noncustodial parent;
- (ii) If unable to proceed with the case because of inadequate documentation, notify the IV-D agency in the initiating State of the necessary additions or corrections to the form or documentation.
- (iii) If the documentation received with a case is inadequate and cannot be remedied by the responding IV-D agency without the assistance of the initiating State, the IV-D agency must process the interstate IV-D case to the extent possible pending necessary action by the initiating State.

#### *Cause:*

The inadequate internal controls over the various child support cases caused DHR to be out of compliance with several of the Federal guidelines.

#### *Effect:*

DHR is unable to meet and follow Federal guidelines in child support cases and is non-compliant with certain areas of the Federal guidelines.

#### *Questioned Costs:*

Unknown

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2009-13 (continued)

#### *Recommendation:*

We recommend that DHR put a process in place in which DHR ensures all staff members are aware of the Federal guidelines and timelines and put tracking mechanisms in place to ensure that the guidelines and timelines are being met such as system prompts when all Federal timelines are coming due. We recommend DHR adheres to documented internal controls so that supervisors are also aware of impending Federal timelines for Child Support interstate and intrastate cases to ensure compliance with Federal guidelines.

#### *Auditee Updated Response and Corrective Action Plan (November 8, 2010, Update):*

#### *DHR/did not meet the required timeframe for response to the initiating state.*

DHR agrees with the finding. DHR agrees that the Interstate Central Registry Unit (ICR) did not meet the ten (10) days timeframe for one (1) of twelve (12) or 8.33% of responding cases.

DHR has implemented the following corrective action plans for the Interstate Central Registry Unit. These corrective action plans ensure that staff members become aware of the federal guidelines and meet the federal timelines.

1. Development of Refresher Training Course:

The corrective actions taken include the development of a three (3) phase refresher training course that consisted of (1) a review of the federal guidelines related to interstate case regulations, (2) a review of the ICR standard operation procedures, and (3) a review of the electronic interstate tracking system (CITS). The CITS is an interstate tracking system that assists in the management of responding case request/s processed by the ICR. CITS provides the following information and services: (1) The date that Maryland Child Support Enforcement Administration CSEA received the case request, (2) scans documents associated with the case, and (3) provides system prompts, via e-mail to staff and supervisors, as to when federal timelines associated with the ICR are due.

2. Revision of Current Policy and Procedures:

In May 2010, DHR/CSEA (ICR) unit revised the current policy and procedures in an effort to ensure compliance with the federal guidelines. In order to be in compliance with the 10 days timeframe, the ICR unit reduced the time for internal review of a case from eight (8) days to six (6) days. Also, the ICR Unit has implemented supervisory control procedures to ensure compliance with federal guidelines and regulations.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs

Year Ended June 30, 2010

Finding 2009-13 (continued)

#### *Auditee Updated Response and Corrective Action Plan (May, 2010 Update) (continued):*

3. Staff Development & Training:

In June 2010, the Department conducted an 8-hour training session that focused on federal guidelines and regulations related to the timely processing of interstate cases. This training provided staff with the familiarity and in-depth knowledge of the Department's ICR standard operation procedures as well as becoming proficient in the electronic interstate tracking system (CITS).

4. Additional Training on federal guidelines and timeframes:

In December 2010, the Department will conduct an additional training session to further strengthen the knowledge of staff members on the federal guidelines and regulations related to the timely processing of interstate cases.

5. CITS User Training:

The University of Maryland, College Park will provide training on CITS for all users within the ICR Unit. Completion date of the CITS training is December 2010.

DHR disagrees with the finding that one (1) of twelve (12) or 8.33% of responding cases had no location services noted in the case file within seventy-five (75) days of receipts of the case.

DHR received incorrect pertinent data (name and social security number) on the Virginia case. A correct name and number are required to conduct a location search. On October 17, 2008, DHR requested the correct information via e-mail to the Virginia Department of Social Services requesting that the data be changed. On August 11, 2009, the information was updated and location search began on August 13, 2009.

DHR/CSEA's previous comment and corrective action remains unchanged. DHR/CSEA did not have authorization to change pertinent data, (name and social security number) on a Virginia case. The case cited was known to the system, as a Virginia Department of Social Services Case (DSS). Therefore, DHR/CSEA contends that corrective action plan is not required.

#### ***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009 -14**

**Maryland State Department of Education (MSDE)**

**CFDA 84.027 Special Education - Grants to States (IDEA, Part B)  
CFDA 84.173 Special Education - Preschool Grants (IDEA, Preschool)  
CFDA 84.391 Special Education - Grants to States (IDEA, Part B), ARRA  
CFDA 84.392 Special Education - Preschool Grants (IDEA, Part B), ARRA**

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

**Non - compliance and internal controls over maximum administration earmarking requirements**

***Condition:***

MSDE is required to spend no more than the maximum amount of \$331,973 on administration for the Individuals with Disabilities Education Act (IDEA), Preschool Grant for State Fiscal Year (SFY) 2009. The maximum amount is set by the Fiscal Year 2008 Allocation Estimates Table provided by the USDE to MSDE on an annual basis. Per the Administrative Expense Detail, MSDE spent \$393,185 for state level activities for SFY 2009.

***Criteria:***

Chapter 20 of the United States Code, Section 1419 (d) states:

“(1) In general

Each State may reserve not more than the amount described in paragraph (2) for administration and other State-level activities in accordance with subsections (e) and (f).

(2) For each fiscal year, the Secretary shall determine and report to the State educational agency an amount that is 25 percent of the amount the State received under this section for fiscal year 1997, cumulatively adjusted by the Secretary for each succeeding fiscal year...”

And

“(e) (1) In general

For the purpose of administering this section (including the coordination of activities under this subchapter with, and providing technical assistance to, other programs that provide services to children with disabilities) a State may use not more than 20 percent of the maximum amount the State may reserve under subsection (d) for any fiscal year.”

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2009-14 (continued)**

***Cause:***

MSDE did not adhere to the maximum administration limits set forth in the Fiscal Year 2008 Allocations Estimates table provided by the USDE.

***Effect:***

MSDE exceeded the maximum limit on administration expenditures for the IDEA, Preschool Grants for SFY 2009 by \$61,212.

***Questioned Costs:***

\$61,212

***Recommendation:***

We recommend that MSDE monitor the administrative allocations and observe the documentation provided annually by the USDE to expend the maximum administration allocations and adhere to funding limits established.

***Auditee Updated Response and Corrective Action Plan (November 8, 2010, Update):***

MSDE adjusted the FY09 over-expenditures to another fund source. In State Fiscal Year 2010 (Federal Fiscal Year 2009), MSDE used the appropriate Federal Fiscal Year Allocation Tables provided by USDE. In addition, MSDE has established separate fund accounting codes to record the funds consistent with the Federal Fiscal Year Allocation Tables. The codes became effective July 1, 2010, and enable MSDE to track and record IDEA Preschool administrative expenditures separately. This action strengthens MSDE's monitoring controls to ensure that IDEA Preschool administrative costs are within allowable limits.

***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

## **STATE OF MARYLAND**

### **Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2008-1**

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

#### **State Children's Insurance Program (SCHIP) CFDA No. 93.767**

#### **US 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, 2010 Finding 2008-1 (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's Updated Response and Corrective Action Plan:*

##### **(October 2010 Update)**

DHMH continues to monitor and enhance our systems and protocols to eliminate future adverse findings.

In addition to ongoing monitoring and education, we continue to improve citizenship verification by having Case Managers use the federal system to check individuals against records of the Social Security Administration. This process takes about two days, and for individuals known to the federal system it eliminates the time, effort and expense of obtaining a birth certificate or other citizenship proof. We believe that this new utility, and other new citizenship verification rules, will enable the department and the Department of Human Resources to reduce citizenship errors.

#### *Auditor's Comment:*

See finding 2010-1

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2008-3**

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

**Substance Abuse Treatment and Prevention Block Grant  
CFDA No. 93.959**

**US Department of Health and Human Services (HHS)**

**Compliance and Internal Control Weakness over Sub recipient Monitoring.**

***Condition:***

The Substance Abuse Prevention and Treatment Block Grant program is administered by the Alcohol and Drug Abuse Administration (ADAA), which is a division of the Department of Health and Mental Hygiene (DHMH). The division director for ADAA indicated that compliance reviews of the sub-recipients are conducted bi-annually. AFNW reviewed twenty-five (25) files that contain documents related to the award of Federal funds to local health departments (LHDs) and private vendors (“sub recipients”) to obtain reasonable assurance that site visits to evaluate the program were conducted in accordance with the General Requirements of OMB Circular A-133 and the conditions of grant award imposed by ADAA. We noted that of the twenty five files reviewed there were three (3) sites that were not visited within the last two years; one (1) site that was not visited; and there were three (3) files that could not be found. In addition, there were compliance findings noted in five (5) of the files that require corrective actions but ADAA failed to obtain a corrective action plan from any of the recipients.

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

The ADAA concurs with the findings and recommendation. ADAA acknowledges that one of the twenty-five site visits (.04%) was not reviewed and one file did not include a corrective action plan to ensure 100% compliance with the federal requirements. However, we do not concur with the *Cause and Effect* comments as noted above. In the future, ADAA will ensure that 100% of the required site visits are performed. Furthermore, ADAA will obtain corrective action plans, when appropriate, based on the seriousness of the compliance review infraction.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2008-3 (continued)**

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

**(October 2010 Update)**

With the two sub-recipient site visits in question, the ADAA conducted its site visits as scheduled and noted that corrections by the sub-recipients were necessary. However, neither of the deficiencies by the sub-recipients rose to the level of requiring a corrective action plan. When deficiencies are noted but a corrective action plan is not required, the ADAA reviews the deficiency at the next site visit for correction. Neither a corrective action plan nor any other written response by the sub-recipient was requested by the ADAA because the level of non-compliance was low, it had not been noted as a past deficiency, and posed no threat to health or safety.

***Auditor's Comment:***

See finding 2010-6

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2008-4**

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

**Substance Abuse Treatment and Prevention Block Grant  
CFDA No. 93.959**

**US Department of Health and Human Services (HHS)**

**Compliance and Internal Control Weakness over Special Test & Provisions (Independent Peer Review)**

***Condition:***

The Alcohol and Drug Abuse Administration (ADAA), which is a division of the Department of Health and Mental Hygiene (DHMH), hires private contractors to perform its peer review functions. The selection of a particular contractor is made from an established list of approved vendors. However, once a selection of a contractor is made, there is no documentation of the independence of that contractor with respect to the sub-recipient that he or she is asked to review. As part of the peer review process, the sub-recipient is asked to complete a Peer Review Follow-Up Questionnaire. We noted that in one instance when asked what parts of the peer review could be improved; the sub-recipient responded “I would also think it would be better for the reviewer to be from out of the area.”

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

The ADAA agrees that it would be beneficial to develop an affidavit for contractors to establish their independence with respect to the sub-recipient they are asked to review in order to adhere to the provisions of OMB Circular A-133.

The ADAA notes that Independent Peer Reviewers never review their own programs and the reviews are not conducted as part of the licensing or certification process. The program that responded, “I would think it would be better for the reviewer to be from out of the area.” was from the same multi-county geographical region as the reviewer but not from the same jurisdiction. The referenced peer reviewer held no relationship or interest in the reviewed program.

Reviewers are screened and asked verbally if they are independent of the program that they would be assigned to review, but documentation to that effect had not been placed in the record. The Administration will require peer reviewers to sign an affidavit regarding each peer review they conduct. The affidavit will clearly attest to their independence from the program to be reviewed. This affidavit will be used for all future peer reviews.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2008-4 (continued)**

***Auditor's Conclusion:***

Based on the above, the finding remains as stated.

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

**(October 2010 Update)**

The ADAA developed an affidavit as required by the audit performed for Fiscal Year ending June 30, 2008. This affidavit was reviewed by the Maryland State Attorney General's office and approved for use by the ADAA. The ADAA changed its policy whereby all independent peer reviewers would sign the affidavit prior to performing a peer review. A copy of the affidavit was given to the auditor.

The affidavit was used for Fiscal Year 2011, independent peer reviewers. The first affidavit was signed June 24, 2010, for the July 8, 2010, peer review.

***Auditor's Comment:***

There was no repeat finding in fiscal year 2010.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2008-8

#### Maryland Department of Veterans' Affairs (MDVA)

CFDA No. 64.014 Veteran State Domiciliary Care  
CFDA No. 64.015 Veteran State Nursing Care

#### U.S. Department of Veteran Affairs (USVA)

**The State of Maryland's Veterans Home Program has Internal control weakness over reconciliation of the Schedule G.**

#### *Condition:*

We noted that one receipt of \$ 596,073 with an effective date in R\*Stars of June 1, 2008, was not reported in Schedule G as a cash receipt for the fiscal year ending June 30, 2008 or as a receivable for the fiscal year ending June 30, 2007.

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

#### **(February, 2010 Update)**

The Department is in agreement with the auditors' findings and will take appropriate actions to enhance the reconciliation process. In the future, Schedule G will be prepared from R\*Stars reports and the record of any necessary adjustments or reconciliations will be maintained with appropriate supporting documentation. Additionally, MDVA will establish procedures to conduct a monthly reconciliation of federal fund revenues. We believe the procedures in place will prevent the reoccurrence of this reporting error.

We are still researching the sum of \$596,073 with the assistance of the State Treasurer Banking Service Office and US VA Medical Center, Washington D.C. to locate the difference.

#### *Update:*

State Treasurer Office (STO) Banking Services research was able to determine that the above receipt was a partial Per Diem payment. As a result of this determination MDVA working with STO and US VA Medical Center corrected the ACH delivery/revenue stream. Using proper coding for ACH Per Diem ACH the revenue stream is now directed to Veterans Home account instead of being delivered to State of Maryland banking holding account for further distribution.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2008-8 (continued)**

***February 2011 Final Update:***

The above described revenue recognition is in place and performing smoothly. On a monthly basis reconciliation is accomplished and any discrepancies are brought to the attention of the U.S. VA Medical Center for their attention and action.

***Auditors' Comment:***

There was no repeat finding in fiscal year 2010.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2008-12

Department of Human Resources (DHR)  
CFDA No. 93.563 – Child Support Enforcement  
U.S. Department of Health and Human Services (HHS)

#### **Inadequate internal controls over child support Inter- and Intra-State cases**

***Condition:***

When the Child Support Administration division receives an interstate case, Maryland as the initiating state, has 20 days to refer the case to the responding state's central registry after determining that the non-custodial parent is located in another state, and if necessary, receipt of any necessary information to process the case. During our review, we noted that in 6 out of 13 initiating cases, or 45.15% of the cases reviewed, that the case was not referred to the responding state's central registry within 20 days after determining that the non-custodial parent was located in another state and after receipt of all information necessary to process the case.

When the Child Support Administration division receives a request for more information from a responding state, Maryland as the initiating state has 30 calendar days to either provide the responding state with the requested information or notify the responding state when the information will be provided. In 3 out of 13 initiating cases reviewed, or 23.08% of the cases, the requested information was not provided to the responding state nor was the date that the requested information would be provided documented in the case file.

When the Child Support Administration division receives an interstate case and Maryland is responding state, within 10 calendar days Maryland's central registry must: acknowledge receipt of the case; ensure that all documentation received from the initiating state is complete; request any missing information necessary to process the case; forward the case to the correct local agency for location services or processing; and inform the initiating state where the case was sent for processing. In 3 of the 12 responding cases reviewed or 25% of cases, 1 or more of the actions required in the 10-day timeframe was not completed.

When Maryland's central registry receives an inquiry from a responding state pertaining to the case's status or for a review, the central registry has five days to respond to the initiating state's request. In 1 of the 12 responding cases, or 8.33% of cases, Maryland's response to an initiating state's request for a case's status or for a review was not noted in the case file within five days of receipt of the initiating state's inquiry.

After a Child Support order has been established, within 30 days of identifying a delinquency, Maryland as the responding/enforcing state must take and document some enforcement action was taken and documented unless a service of process is necessary. In 8 of 12 responding cases reviewed, or 66.67% of responding cases, no enforcement action was taken and documented within 30 days of identifying a delinquency.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2008-12 (continued)

#### *Condition (continued):*

The Federal guidelines require that the agency responsible for Child Support Enforcement attempts to establish paternity and a support obligation for children born out of wedlock. During our testing, we noted that 1 of 13 initiating cases reviewed, or 7.69% of initiating cases, no paternity and support obligation was established.

The Federal guidelines require that the Child Support attempts to secure medical support information, and establish and enforce medical support obligations for all individuals eligible for DCSE services. During our testing, we noted that in 1 of 13 initiating cases reviewed, or 7.69% of initiating cases, no medical support obligation was established and enforced.

This is a repeat finding from the Fiscal Year 2005, Single Audit Report finding number 2005-16; Fiscal Year 2006, Single Audit Report finding number 2006-5; and Fiscal Year 2007 Single Audit Report finding number 2007-12.

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

##### **(February 18, 2011 Update)**

Actions Taken: The Department of Human Resources Child Support Enforcement Administration (DHR/CSEA) has tracking mechanisms and processes in place to facilitate internal control over the Administration's Interstate and Intrastate cases. The following tracking tools are used to track Interstate cases: (1) The Federal Self Assessment Review, (2) The Maryland Central Registry Interstate Tracking System (CITS), (3) CSEA Quality Control Report and (4) CSEA Staff Training Academy.

##### **(1) Federal Self Assessment Review Tool**

The Federal Self Assessment Review is an evaluating tool required by the Federal Office of Child Support (OCSE), to determine whether the state of Maryland is meeting the Federal case processing criteria. Also, it is used to conduct the Program Audit on interstate case processing (45 CFR 303.7). DHR/CSEA successfully passed the Self Assessment Review for the Federal Fiscal Year 2010.

##### **(2) Maryland Responding Case Tracking System (CITS)**

Since June 26, 2009, DHR/CSEA has used the Maryland Responding Case Tracking System (CITS). CITS is an interstate tracking system which assists in the management of responding case requests processed by the Interstate Central Registry team.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2008-12 (continued)

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

(3) **Quality Control Review**

DHR/CSEA continues to utilize the Quality Control Review Tool (QCR) to provide oversight for the 24 local jurisdictions. It ensures that (1) cases are processed according to the federal and state requirements, (2) that the information in the automated Child Support Enforcement System (CSES) is accurate, and (3) that the hardcopy files contain the necessary documents to support the data in CSES.

(4) **Training Academy**

DHR/CSEA has a Maryland's Child Support Enforcement Program Training Academy (Academy). The functions of the academy in part are as follows: To provide training on the core functions of child support; (1) ensure that the Agency stays abreast of federal regulations and guidelines; (2) provide refresher courses to the Agency's supervisors, and (3) provide training to new and experienced staff.

The Department submitted to the auditors performing the Single Audit copies of supporting documents showing that cited errors were corrected. Also, information and supporting documentation related to the 2007 Single Audit were sent to the US Department of Health and Human Services Administration for Children and Families (ACF) in Washington, DC and Region III in Philadelphia, PA. The DHR also responded to the Health and Human Services Resolution Authority on December 22, 2009, regarding these findings.

#### *Auditors' Comments:*

There was no repeat finding in fiscal year 2010.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2007-1**

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

**Medical Assistance Program-Medicaid Cluster  
CFDA No. 93.778  
State Children's Insurance Program (SCHIP)  
CFDA No. 93.767**

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

**Internal control deficiency over the eligibility determination process**

***Condition:***

We reviewed Supervisory Review (SRS) cases from the Local Health Department (LHD) for all twenty-four Maryland jurisdictions to determine whether SRS review (MCHIP Quality Review) forms were timely submitted to the Department of Health and Mental Hygiene (DHMH) and on-site reviews were conducted to ensure the LHD's are meeting quotas according to SRS standards, case file accuracy, and case processing time limits. We noted that Howard County LHD did not submit MCHIP Quality Review forms from June 2006 through May 2007. We also noted DHMH failed to follow its procedures outlined in its January 25, 2006, Memorandum which provides that failure to submit the required SRS review forms in a timely manner would be reported to the Office of Eligibility Services.

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

**(November 2009 Update)**

All on-site reviews were performed to ensure the Local Health Departments were meeting quotas according to Supervisory Review (SRS) standards, case files accuracy, and case processing time limits. Twenty-three of the twenty-four Maryland jurisdictions timely submitted SRS review forms to the Department. One Local Health Department failed to meet the quotas according to SRS standards and was reported to the Office of the Eligibility Services, as required.

***Auditor's Comment***

There were no repeat findings in fiscal year 2010.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2007-2

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

#### Medical Assistance Program Medicaid Cluster CFDA No. 93.778

#### US Department of Health and Human Services

#### Compliance and Internal control deficiency over the eligibility determination process.

##### *Condition:*

On July 1, 1985, the Maryland State Department of Health and Mental Hygiene (DHMH) entered into an agreement with the Maryland State Department of Human Resources (DHR). DHR agreed to determine eligibility for Medical Assistance on a uniform basis throughout the State for persons who are indigent or medically indigent according to regulations, guidelines and procedures established by DHMH. In addition, DHMH's Local Health Departments are responsible for determining eligibility for the Maryland Children's Health Insurance Program (MCHIP) covered under Title XIV of the Social Security Act.

We selected a total of 65 Medical Assistance claim files to review for eligibility determination. These 65 files were comprised of 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Charles County, Howard County, Cecil County, and Frederick County. The test was composed of a selection of 8 newly established recipients and 5 existing recipients. All claims were processed during the fiscal year ended June 30, 2008. We noted the following exceptions:

##### **Baltimore City**

DHR's Department of Social Services failed to maintain the original signed application. We noted the application date was changed from 10/27/07 to 10/27/06 for one of the eight newly eligible files. The change on the application appeared to have been made in order to support the initial eligibility decision date of 11/09/06. However, the information contained in the application was inconsistent with the date of 10/27/06.

##### **Howard County**

Internal control deficiency in that one of the eight newly eligible files was not located.

##### **Frederick County**

Internal control deficiency in that one of the five existing eligible files could not be located.

##### **Cecil County**

No signed application, in that the signature page of the application for one of the eight newly eligible files was missing.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs

Year Ended June 30, 2010

Finding 2007-2 (continued)

*Condition: (continued)*

This is, in part, a repeat finding from Fiscal Years Ended June 30, 2004, 2005, and 2006 Single Audit Report finding number 2004-24, 2005-5, and 2006-14 respectively.

*Auditee Updated Response and Corrective Action Plan:*

**(March 2011 Update)**

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 Primary Adult Program (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.

*Auditors' Comment:*

See finding 2010-1

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2007-3**

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

**State Children's Insurance Program (SCHIP)  
CFDA No. 93.767**

**US Department of Health and Human Services**

**Compliance and Internal control 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.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2007-3 (continued)**

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

**(November, 2009 Update)**

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 Primary Adult Program (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.

***Auditors' Comment:***

See finding 2010-1

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2007-12

Department of Human Resources (DHR)  
CFDA No. 93.563 – Child Support Enforcement  
U.S. Department of Health and Human Services

#### **Inadequate internal controls over child support Inter- and Intra-State cases**

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

When the Department of Human Resources local offices receive an application for Child Support Services, the local agency must open the case within no more than 20 days of the receipt of the referral or of the filing of an application for services. During our review, we noted that in 6 of 13 initiating cases, or 46.15% of the cases reviewed, that the case was not opened in 20 days of receipt of the referral or application.

When the Child Support Administration division is receives an interstate case, Maryland as the initiating state, has 20 days to refer the case to the responding state's central registry after determining that the non-custodial parent is located in another state, and if necessary, receipt of any necessary information to process the case. During our review, we noted that 7 out of 13 initiating cases, or 53.85% of the cases reviewed, that the case was not referred to the responding state's central registry within 20 days after determining that the non-custodial parent was located in another state and after receipt of all information necessary to process the case.

When the Child Support Administration division receives a request for more information from a responding state, Maryland as the initiating state has 30 calendar days to either provide the responding state with the requested information or notify the responding state when the information will be provided. In 3 out of 13 initiating cases reviewed, or 23.08% of the cases, the requested information was not provided to the responding state nor was the date that the requested information would be provided documented in the case file.

When the Child Support Administration division receives an interstate case and Maryland is responding state, within 10 calendar days Maryland's central registry must: acknowledge receipt of the case; ensure that all documentation received from the initiating state is complete; request any missing information necessary to process the case; forward the case to the correct local agency for location services or processing; and inform the initiating state where the case was sent for processing. In 4 of the 12 responding cases reviewed (33.33% of cases reviewed), one or more of the actions required in the 10-day timeframe was not completed.

When Maryland's central registry receives an inquiry from a responding state pertaining to the case's status or for a review, the central registry has five days to respond to the initiating state's request. In 3 of the 12 responding cases, (25.00% of cases reviewed), Maryland's response to an initiating state's request for a case's status or for a review was not noted in the case file within 5 days of receipt of the initiating state's inquiry.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2007-12 (continued)

#### *Condition: (continued)*

When Maryland, as the responding state, receives an interstate Child Support Transmittal form, within 75 days, Maryland must; provide location services if the initiating states request is for location services or if the initiating state did not provide sufficient information to locate the non-custodial parent; notify the initiating state if more information or corrected information is necessary to process the case; and process the case to the extent possible pending necessary action by the initiating state. In 6 of the 12 responding cases reviewed, one or more of the actions required in the 75-day time frame was not completed.

After a Child Support order has been established, within 30 days of identifying a delinquency, Maryland as the responding/enforcing state must take and document some enforcement action was taken and documented unless a service of process is necessary. In 1 of 12 responding cases, or 8.33% of responding cases reviewed, no enforcement action was taken and documented within 30 days of identifying a delinquency.

This is a repeat finding from the Fiscal Year 2004, Single Audit Report finding number 2004-44; Fiscal Year 2005, Single Audit Report finding number 2005-16; and Fiscal Year 2006, Single Audit Report finding number 2006-5.

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

##### **(November, 2009 Update)**

Actions Taken: The Department of Human Resources Child Support Enforcement Administration (CSEA) has tracking mechanisms and processes in place to facilitate internal control over the Administration's Interstate and Intrastate cases. The following tracking tools are used to track Interstate cases: (1) The Federal Self Assessment Review, (2) The Maryland Central Registry Interstate Tracking System (CITS), (3) CSEA Quality Control Report and (4) CSEA Staff Training Academy.

##### **(1) Federal Self Assessment Review Tool**

The Federal Self Assessment Review is an evaluating and measuring tool, required by the Federal Office of Child Support (OCSE), to determine whether the state of Maryland is meeting the Federal case processing criteria. It is also used to conduct the Program Audit on Interstate case processing (45 CFR 303.7). Maryland's CSEA passed the Self Assessment Review in 2007 and 2008.

## STATE OF MARYLAND

### Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2010 Finding 2007-12 (continued)

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

(2) **Maryland Responding Case Tracking System (CITS)**

The Maryland Responding Case Tracking System (CITS) is an interstate tracking system, which assists in the management of responding case request/s processed by the Interstate Central Registry. CITS was available to the Child Support Offices starting June 26, 2008, and provides the following information and services: (1) The date the case request was received by Maryland CSEA, (2) scans the documents associated with the case, and (3) provides acknowledgement to the other state and date stamps the time that the request was sent to the local child support office.

(3) **Quality Control Review**

Maryland CSEA has a Quality Control Review Tool (QCR) expanded procedures February 3, 2009, which is used to provide oversight for the 24 local jurisdictions to ensure that (1) cases are processed according to the federal and state requirements, (2) that the information in the automated Child support Enforcement System (CSES) is accurate and completed in a timely manner, and (3) that the paper/hardcopy files contain the necessary documents to support the data in CSES.

(4) **Training Academy**

Maryland CSEA has a Maryland's Child Support Enforcement Program Training Academy that provides ongoing training for all child support staff. The Academy has a New Staff Academy that has an Introduction to Child Support Enforcement course. This course provides training on the basic elements of Child Support Enforcement for new staff as well as supervisors. It also educates staff on the Federal timelines, and provides re-training on the Federal guidelines.

The Department submitted to the auditors performing the Single Audit copies of supporting documents showing that cited errors were corrected. Also, information and supporting documentation related to the 2007 Single Audit were sent to the US Department of Health and Human Services Administration for Children and Families (ACF) in Washington, DC and Region III in Philadelphia, PA. The DHR also responded to the Health and Human Services' Resolution Authority on December 22, 2009, regarding these findings.

**(March 2010 Update)**

The DHR received a letter from the federal Department of Health and Human Services, Office of Child Support Enforcement, dated December 10, 2008, stating corrective action implemented by the organization were sufficient to resolve the auditors recommendation.

***Auditors' Comments:***

There was no repeat finding in fiscal year 2010.

**STATE OF MARYLAND**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2010  
Finding 2007-16**

**Maryland Department of Transportation – State Highway Administration (SHA)  
CFDA No. 20.205**

**U. S. Department of Transportation**

**SHA was noncompliant over Suspension and Debarment records maintenance**

***Condition:***

The State Highway Administration did not have documentation supporting the efforts to check the Excluded Parties List System for debarred and suspended contractors and subcontractors for the 15 contracts reviewed.

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

**(November, 2009 Update)**

The procedure that was established during the March 21, 2008, conference call is in place. A field is being populated with the last date that our SHA employees check the federal website on suspended or debarred contractors. This is being done on each and every bid date for all contractors that are submitting bids to us. These procedures were verified in November 2009, with the Office of Construction.

***Auditors' Comments:***

There was no repeat finding in fiscal year 2010.

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**SB & Company, LLC**

**Baltimore Office:**

200 International Circle, Suite 5500

Hunt Valley, Maryland 21030

410.584.0060 (P)

410.584.0061 (F)