

STATE OF MARYLAND

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

For the Year Ended June 30, 2014

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JUNE 30, 2014

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Honorable Peter Franchot
Comptroller of Maryland

Report on the Financial Statements

We have audited the accompanying 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, 2014, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



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

	Percentage of Opinion Unit		
	<u>Total Assets</u>	<u>Total Net Position</u>	<u>Total Operating Revenues</u>
Business-Type Activities			
Major -			
Certain Economic Development Loan Programs	21.9%	5.7%	2.6%
Maryland Lottery and Gaming Control Agency	1.7	0.1	59.5
Maryland Transportation Authority	50.8	48.3	18.1
Non-Major -			
Economic Development Insurance Programs	0.6	1.0	0.1
Total percentage of business-type activities	<u>75.0%</u>	<u>55.1%</u>	<u>80.3%</u>
Component Units			
Major -			
Certain foundations included in the higher education component units	13.3%	15.1%	14.1%
Non-Major -			
Maryland Technology Development Corporation	0.2	0.1	1.8
	<u>13.5%</u>	<u>15.2%</u>	<u>13.3%</u>
Fiduciary Funds			
Investment Trust Fund	5.4%	6.0%	38.7%

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

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



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Opinions

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the State adopted the new accounting guidance from GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”, and restated the beginning net position on the statement of activities. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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



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Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2014, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Hunt Valley, Maryland
December 17, 2014

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

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

The Honorable Peter Franchot
Comptroller of Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Maryland (the State), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 17, 2014.

Internal Control over Financial Reporting

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

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

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



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Compliance and Other Matters

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

We noted other matters involving the internal control over financial reporting, which we have reported to the management of the Baltimore City Community College and the University System of Maryland in separate reports dated October 29, 2014, and October 24, 2014, respectively.

Purpose of this Report

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

Hunt Valley, Maryland
December 17, 2014

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

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

The Honorable Peter Franchot
Comptroller of Maryland

Report on Compliance for Each Major Federal Program

We have audited the State of Maryland's (the State) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the State's major Federal programs for the year ended June 30, 2014. The State's major Federal programs are identified in the summary of independent public accountants' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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



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

Opinion on Each Major Federal Program

In our opinion, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance with the compliance requirements referred to above that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, 2014-003, 2014-004, 2014-005, 2014-006, 2014-007, 2014-008, 2014-009, 2014-010, 2014-011, 2014-012, 2014-013, 2014-014, 2014-015. Our opinion on each major Federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of



compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs 2014-001, 2014-003, 2014-004, 2014-005, 2014-006, 2014-008, 2014-009, 2014-010, 2014-011, 2014-012, 2014-013, 2014-015, that we consider to be significant deficiencies.

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

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

Hunt Valley, Maryland
March 8, 2015

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
US DEPARTMENT OF AGRICULTURE (USDA)						
Agricultural Research: Basic and Applied Research	10.001	\$ -	\$ -	\$ 1,874,445		\$ 1,874,445
Pass-Through University of California, Davis	10.001	-	-	8,913		8,913
Plant and Animal Disease, Pest Control and Animal Care	10.025	-	-	969,550		969,550
Wildlife Services	10.028	-	-	7,693		7,693
Conservation Reserve Program	10.069	-	-	9,008		9,008
Pass-Through Metropolitan Washington Council of Governments	10.11-DG-11420004-224	-	-	17,234		17,234
Contract Other	10.13-CS-11081600-019	23,709	-	-		23,709
Contract Other	10.13-CS-11242302-095	-	-	1,109		1,109
Shell Egg Surveillance	10.162	-	-	103,363		103,363
Market Protection and Promotion	10.163	-	-	71,884		71,884
Specialty Crop	10.170	-	-	360,057		360,057
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	-	-	1,427,352		1,427,352
Pass-Through Intelligent Automation	10.212	-	-	13,716		13,716
Sustainable Agriculture Research and Education	10.215	-	-	693,658		693,658
1890 Institution Capacity Building Grants	10.216	-	-	1,004,051		1,004,051
Institution Capacity Building Grants	10.216	9,243	-	-		9,243
Pass-Through Tennessee State University	10.216	-	-	5,957		5,957
Pass-Through Virginia State University	10.216	-	-	3,892		3,892
Community Food Projects	10.225	-	-	22,988		22,988
Pass-Through Virginia Polytechnic Institute and State University	10.250	-	-	2,691		2,691
Integrated Programs	10.303	-	-	255,941		255,941
Organic Agriculture Research and Extension Initiative	10.307	-	-	153,286		153,286
Specialty Crop Research Initiative	10.309	-	-	1,267,508		1,267,508
Agricultural and Food Research Initiative (AFRI)	10.310	-	-	9,619		9,619
Pass-Through Cornell University	10.310	-	-	88,577		88,577
Pass-Through University of Illinois	10.310	-	-	4,005		4,005
Pass-Through University of Nebraska	10.310	-	-	17,539		17,539
Beginning Farmer & Rancher Development Program	10.311	-	-	240,529		240,529
Agricultural Mediation Program	10.435	-	-	115,958		115,958
Outreach and Assistance for Socially Disadvantage Farmers and Ranchers	10.443	-	-	257,162		257,162
Crop Insurance	10.458	-	-	391,388		391,388
FD Chemistry & Microbiology Emergency Preparedness	10.479	-	-	124,305		124,305
Cooperative Extension Service	10.500	-	-	435,807		435,807
Pass-Through Kansas State University	10.500	-	-	99,838		99,838
Pass-Through Northeast Center for Risk Management Association	10.500	-	-	32,431		32,431
Pass-Through Northeast Sustainable Agriculture Research and Education (SARE)	10.500	-	-	32,431		32,431
Pass-Through Pennsylvania State University	10.500	-	-	594		594
Pass-Through University of Nebraska	10.500	-	-	3,320		3,320
Pass-Through University of Vermont	10.500	-	-	2,290		2,290

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
US DEPARTMENT OF AGRICULTURE (USDA) (continued)						
Food Donation	10.550	\$ -	\$ -	\$ 18,964,000		\$ 18,964,000
Supplemental Nutritional Assistance Program Cluster (SNAP)						
Food Stamps	10.551	-	-	1,151,553,088		1,151,553,088
Administrative Funding for Food Stamp Program	10.561	-	-	64,964,992		64,964,992
Total SNAP Cluster		-	-		\$ 1,216,518,080	
Child Nutrition Cluster						
School Breakfast Program	10.553	-	-	56,021,662		56,021,662
National School Lunch Program	10.555	-	-	149,464,608		149,464,608
Special Milk Program for Children	10.556	-	-	338,410		338,410
Summer Food Service Program for Children	10.559	-	-	8,271,990		8,271,990
Total Child Nutrition Cluster		-	-		214,096,670	
Special Supplemental Nutrition Program - WIC	10.557	-	-	94,599,504		94,599,504
Child and Adult Care Food Program	10.558	-	-	51,623,940		51,623,940
Administrative Expenses for Child Nutrition	10.560	-	-	4,278,570		4,278,570
Food Distribution Cluster						
Emergency Food Assistance Program (Administrative Costs)	10.568	-	-	1,686,366		1,686,366
Emergency Food Assistance Program (Food Commodities)	10.569	-	-	6,662,529		6,662,529
Total Food Distribution Cluster		-	-		8,348,895	
WIC Farmers' Market Nutrition Program (FMNP)	10.572	-	-	351,064		351,064
Team Nutrition Training	10.574	-	-	46,973		46,973
Farmers Market Nutrition Program (SFMNP)	10.576	-	-	149,972		149,972
WIC EBT Planning Grant	10.578	-	-	105,407		105,407
Fresh Fruit and Vegetable Program	10.582	-	-	3,225,943		3,225,943
Cooperative Forestry Assistance	10.664	-	-	1,468,543		1,468,543
Urban and Community Forestry Program	10.675	-	-	113,091		113,091
Forest Legacy Program	10.676	-	-	15,744		15,744
Forest Stewardship Program	10.678	-	-	119,813		119,813
Forest Health Protection	10.680	-	-	32,219		32,219
Norman E. Borlaug International Agricultural Science and Technology Fellowship	10.777	-	-	38,864		38,864
MD Farmer	10.902	-	-	5,000		5,000
Soil and Water Conservation	10.902	-	-	480		480
Environmental Quality	10.912	-	-	574,585		574,585
Environmental Quality Incentives Program	10.912	-	-	165,678		165,678
Technical Agricultural Assistance	10.960	-	-	2,876,575		2,876,575
Scientific Cooperation and Research	10.961	-	-	6,691		6,691
International Training: Foreign Participant	10.962	-	-	183		183
Agricultural Marketing Service	10.RD	13,575	-	-		13,575
Agricultural Research Service	10.RD	5,248,583	-	-		5,248,583
Animal and Plant Health Inspection Service	10.RD	432,225	-	-		432,225
Economic Research Service	10.RD	149,229	-	-		149,229
Foreign Agricultural Service	10.RD	1,719,872	-	-		1,719,872
Forest Service	10.RD	174,137	-	-		174,137
National Agricultural Statistics Service	10.RD	45,486	-	-		45,486

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>US DEPARTMENT OF AGRICULTURE (USDA) (continued)</u>						
Natural Resources Conservation Service	10.RD	\$ 17,066	\$ -	\$ -		\$ 17,066
Pass-Through Auburn University	10.RD	10,993	-	-		10,993
Pass-Through Colorado State University	10.RD	136,347	-	-		136,347
Pass-Through Cornell University	10.RD	119,050	-	-		119,050
Pass-Through Delaware State University	10.RD	11,383	-	-		11,383
Pass-Through Extension Foundation	10.RD	13,590	-	-		13,590
Pass-Through Johns Hopkins University	10.RD	214,444	-	-		214,444
Pass-through Michigan State University	10.RD	8,731	-	-		8,731
Pass-Through Northeast Sustainable Agriculture Research and Education (SARE)	10.RD	676	-	-		676
Pass-Through Ohio State University	10.RD	21,029	-	-		21,029
Pass-Through Purdue University	10.RD	73,832	-	-		73,832
Pass-Through University of California	10.RD	13,831	-	-		13,831
Pass-Through University of California, Davis	10.RD	813,385	-	-		813,385
Pass-Through University of California, Riverside	10.RD	2,749	-	-		2,749
Pass-Through University of Delaware	10.RD	93,260	-	-		93,260
Pass-Through University of Maine	10.RD	3,307	-	-		3,307
Pass-Through University of Massachusetts Amherst	10.RD	11,217	-	-		11,217
Pass-Through University of Rhode Island	10.RD	49,697	-	-		49,697
Pass-Through University of Vermont	10.RD	60,151	-	-		60,151
Pass-Through University of Wisconsin - Madison	10.RD	112,094	-	-		112,094
Pass-Through Virginia Polytechnic Institute and State University	10.RD	24,577	-	-		24,577
Pass-Through Winrock International	10.RD	53,385	-	-		53,385
Pass-Through, Rutgers, the State University of New Jersey	10.RD	76,161	-	-		76,161
The National Institute of Food and Agriculture (NIFA)	10.RD	5,323,785	-	-		5,323,785
Total US Department of Agriculture		15,080,799	-	1,627,856,573		1,642,937,372
<u>DEPARTMENT OF COMMERCE (DOC)</u>						
Economic Development Support for Planning Organizations	11.302	-	-	41,372		41,372
National Technical Assistance	11.303	-	-	11,432		11,432
Economic Adjustment Assistance	11.307 011903134	-	-	637,955		637,955
Economic Adjustment Assistance	11.307 014903271	-	-	1,425,160		1,425,160
Economic Adjustment Assistance	11.307 014903420	-	-	3,186,352		3,186,352
Interjurisdictional Fisheries Act of 1986	11.407	-	-	44,959		44,959
Coastal Zone Management Administration Awards	11.419	-	-	2,147,684		2,147,684
Coastal Zone Management Estuarine Research Reserves	11.420	-	-	445,161		445,161
Financial Assistance for National Centers for Coastal Ocean Science	11.426	-	-	585,317		585,317
Fisheries Development and Utilization Research and Development Grants and						
Cooperative Agreements Program	11.427	-	-	25		25
Pass-Through Oregon State University	11.431	-	-	2,993		2,993
Marine Mammal Data Program	11.439	-	-	18,006		18,006
Unallied Industry Projects	11.452	-	-	1,301,000		1,301,000
Unallied Management Program	11.454	-	-	13,709		13,709
Chesapeake Bay Studies	11.457	16,878	-	-		16,878
Chesapeake Bay Studies	11.457	-	-	197,049		197,049
Chesapeake Bay Trust Living Shoreline Grant	11.463	-	-	16,500		16,500
Habitat Conservation	11.463	-	-	1,833,251		1,833,251
Tsunami Mitigation 2008	11.467	-	-	7,379		7,379
Unallied Science Program	11.472	-	-	46,674		46,674

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF COMMERCE (DOC) (continued)						
Atlantic Coastal Fisheries Cooperative Management Act	11.474	\$ -	\$ -	\$ 211,471	\$	211,471
Coastal Ocean Research Program	11.478	-	-	18,281		18,281
Educational Partnership Programs	11.481	-	-	2,432,699		2,432,699
Maryland Broadband Planning&Implementation Project	11.549	-	-	147,329		147,329
Pass-Through District of Columbia Government	11.555	-	-	30,163		30,163
Public Safety Interop Comm Grant Pgm - FY 2007	11.555	-	-	21,198		21,198
One Maryland Broadband Network - ARRA	11.557	-	-	10,272,142		10,272,142
Pass-Through Maryland Broadband Cooperative, Inc	11.558	-	-	124,259		124,259
Pass-Through Maryland Broadband Cooperative, Inc - ARRA	11.558	-	-	702,925		702,925
Measurement and Engineering Research and Standards	11.609	-	-	55,917		55,917
Office: National Institute of Standards and Technology (NIST)	11.609	79,884	-	-		79,884
Measurement and Engineering Research and Standards - ARRA	11.609	19,016,059	-	-		19,016,059
Measurement and Engineering Research and Standards - ARRA	11.609	-	-	1,478,452		1,478,452
Construction Grant Program - ARRA	11.618	-	-	878,657		878,657
Contract/ Other - Census Bureau	11.IPA	112,745	-	-		112,745
Contract/ Other - Census Bureau	11.IPA No. 6308IPA01	-	-	32,010		32,010
Contract/Other - NIST	11.IPA No. IP1206	-	-	22,910		22,910
Contract/Other - NIST	11.IPA No. IP1302	-	-	91,747		91,747
Contract/Other - NIST	11.IPA No. IP1304	-	-	73,811		73,811
Economic Development Administration	11.RD	97,578	-	-		97,578
National Institute for Standards and Technology (NIST)	11.RD	455,561	-	-		455,561
National Oceanic and Atmospheric Administration	11.RD	26,353,168	-	-		26,353,168
Pass-Through Rutgers, The State University of New Jersey	11.RD	53,577	-	-		53,577
Pass-Through Chesapeake Research Consortium	11.RD	16,134	-	-		16,134
Pass-Through Howard University	11.RD	133,189	-	-		133,189
Pass-Through HydroQual, Inc	11.RD	6,153	-	-		6,153
Pass-Through McCormick Taylor, Inc.	11.RD	3,758	-	-		3,758
Pass-Through Metropolitan Washington Council of Governments	11.RD	1	-	-		1
Pass-Through Oyster Recovery Partnership	11.RD	200,283	-	-		200,283
Pass-Through Prometheus Computing, LLC	11.RD	69,300	-	-		69,300
Pass-Through Research Foundation of The City University of New York	11.RD	88,366	-	-		88,366
Pass-Through SP Systems	11.RD	32,921	-	-		32,921
Pass-Through Stratus Consulting	11.RD	314,846	-	-		314,846
Pass-Through Texas A&M University	11.RD	11,770	-	-		11,770
Pass-Through University Corporation for Atmospheric Research	11.RD	725	-	-		725
Pass-Through University of Massachusetts Boston	11.RD	40,433	-	-		40,433
Pass-Through University of Michigan	11.RD	3,101	-	-		3,101
Pass-Through University of New Hampshire	11.RD	391,609	-	-		391,609
Pass-Through University of South Carolina	11.RD	34,843	-	-		34,843
Pass-Through University of Texas- Austin	11.RD	5	-	-		5
Pass-Through Virginia Institution of Marine Science	11.RD	13,766	-	-		13,766
Pass-Through Virginia Polytechnic Institute and State University	11.RD	12,468	-	-		12,468
Pass-Through Woods Hole Oceanographic Institute	11.RD	512,309	-	-		512,309
US Census Bureau	11.RD	2,444,400	-	-		2,444,400
Contract/Other - National Oceanic and Atmospheric Administration	11.Unknown	-	-	8,518		8,518
Total Department of Commerce		50,515,830	-	28,564,467		79,080,297

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF DEFENSE (DOD)</u>						
Contract / Other - National Security Agency	12.0006838	\$ -	\$ -	\$ 62,589		\$ 62,589
Procurement Technical Assistance for Business Firms	12.002	-	-	5,854		5,854
Pass-Through Exponent, Inc.	12.0900079.00093F1-07F1	54,230	-	-		54,230
Pass-Through Neocera, Inc	12.100614	179,090	-	-		179,090
State Memo of Agreement Prog for Reimb of Tech Service	12.113	-	-	725,730		725,730
Pass-Through University Research Foundation	12.11539	135	-	-		135
Federal Voting Assistance Program	12.217	-	-	89,349		89,349
EASE - Effective Absentee System of Election	12.219	-	-	19,266		19,266
Basic and Applied Scientific Research	12.300	-	-	60,029		60,029
Basic and Applied Scientific Research	12.300	1,518,417	-	-		1,518,417
Contracting Action to provide atomic physics research on an atom	12.300	-	-	46,085		46,085
High Atom Number in Microsized Atom Traps	12.300	-	-	114,658		114,658
National Guard Military Operations & Maint	12.401	-	-	25,698,780		25,698,780
National Guard Civilian Youth Opportunities	12.404	-	-	1,966,283		1,966,283
Military Medical Research and Development	12.420	-	-	18,057		18,057
Basic Scientific Research	12.431	-	-	102,736		102,736
Basic Scientific Research	12.431	258,955	-	-		258,955
Pass-Through Institute of International Education	12.550	-	-	867,767		867,767
Pass-Through Institute of International Education	12.579	-	-	134,369		134,369
Annual Congressionally Directed Assistance	12.599	307,032	-	-		307,032
Community econ. adjustment planning asst.	12.607	-	-	130,051		130,051
Basic, Applied, Advanced Research in Science & Engineering	12.630	872,958	-	-		872,958
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	-	225,929		225,929
Motor Week Energy	12.678	-	-	530,740		530,740
Air Force Defense Research Sciences Program	12.800	14,922	-	-		14,922
Mathematical Sciences Grant Program	12.901	-	-	958,937		958,937
Information Security Grant Program	12.902	-	-	46,589		46,589
Pass-Through Aurora Flight Sciences Corporation	12.AFS100888	22,246	-	-		22,246
Contract / Other - National Security Agency	12.H98230-11-C-0300	438,957	-	-		438,957
Contract/Other Defense Information Systems Agency	12.HC1047-05-D-4015	-	-	259,234		259,234
Contract/Other - United States Army Medical Research & Development	12.IPA	-	-	164,283		164,283
Contract/Other - Defense Advanced Research Projects Agency	12.IPA No. 10092424	-	-	240,421		240,421
Contract/Other - Defense Advanced Research Projects Agency	12.IPA No. 11112791	-	-	161,219		161,219
Contract/Other - Defense Advanced Research Projects Agency	12.IPA No. 14102763	-	-	44,772		44,772
Contract/Other - United States Navy IPA	12.IPA No.N6659612IPA0004	-	-	155,199		155,199
Pass-Through Athena GTX	12.N0001412C0120	-	-	43,206		43,206
Pass-Through Enterprise Sciences, Inc.	12.N001411C0469	57,331	-	-		57,331
Contract/Other - Office of Naval Research	12.N00167-10-C-0010	10,744	-	-		10,744
Contract/Other - Defense Advanced Research Projects Agency	12.N66001-13-C-4023	3,655,537	-	-		3,655,537
Pass-Through Intelligent Automation	12.N68335-10-C-0443	32,960	-	-		32,960
Advanced Research Projects Agency:	12.RD	3,110,419	-	-		3,110,419
Defense Intelligence Agency	12.RD	276,121	-	-		276,121
Defense Logistics Agency	12.RD	234,181	-	-		234,181

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF DEFENSE (DOD) (continued)						
Department of the Air Force, Material Command	12.RD	\$ 11,603,986	\$ -	\$ -		\$ 11,603,986
Department of the Army, Office of the Chief of Engineers	12.RD	579,013	-	-		579,013
Department of the Navy, Office of Chief of Naval Research	12.RD	12,898,106	-	-		12,898,106
National Security Agency	12.RD	212,121	-	-		212,121
Office of the Secretary of Defense	12.RD	3,245,332	-	-		3,245,332
Department of Defense	12.RD	41,971,849	-	-		41,971,849
Pass Through SR 2 Group	12.RD	1,737	-	-		1,737
Pass-Through Academy of Applied Science	12.RD	5,200	-	-		5,200
Pass-Through Academy of Applied Science	12.RD	7,800	-	-		7,800
Pass-Through Adams Communications & Engineering Technology	12.RD	8,513	-	-		8,513
Pass-Through Albany Medical College	12.RD	1,122	-	-		1,122
Pass-Through American Association for the Surgery	12.RD	1,490	-	-		1,490
Pass-Through ATK Space Systems	12.RD	10,570	-	-		10,570
Pass-Through BAE Systems Advanced Information Technologies	12.RD	1,296,375	-	-		1,296,375
Pass-Through BBNT Solutions LLC	12.RD	147,143	-	-		147,143
Pass-Through CACI Enterprise Solutions	12.RD	15,860	-	-		15,860
Pass-Through Carbon Solutions, Inc.	12.RD	29,562	-	-		29,562
Pass-Through Carnegie Mellon University	12.RD	422,178	-	-		422,178
Pass-Through Celadon Laboratories	12.RD	25,930	-	-		25,930
Pass-Through Columbia University	12.RD	189,318	-	-		189,318
Pass-Through CoolCad Electronics	12.RD	65,816	-	-		65,816
Pass-Through Creare, Inc	12.RD	50,600	-	-		50,600
Pass-Through Data Tactics	12.RD	16,590	-	-		16,590
Pass-Through Decisive Analytics Corporation	12.RD	44,373	-	-		44,373
Pass-Through Duke University	12.RD	1,168,528	-	-		1,168,528
Pass-Through FlexEL, Inc	12.RD	52,023	-	-		52,023
Pass-Through Florida State University	12.RD	4,773	-	-		4,773
Pass-Through Geneva Foundation	12.RD	33,058	-	-		33,058
Pass-Through George Mason University	12.RD	203,528	-	-		203,528
Pass-Through Georgia Institute of Technology	12.RD	756,473	-	-		756,473
Pass-Through Hampton University	12.RD	151,522	-	-		151,522
Pass-Through Henry M Jackson Foundation	12.RD	893,197	-	-		893,197
Pass-Through Heron Systems, Inc.	12.RD	46,779	-	-		46,779
Pass-Through Hi-Z Technology, Inc	12.RD	60,977	-	-		60,977
Pass-Through Intelligent Fusion Technology, Inc.	12.RD	35,414	-	-		35,414
Pass-Through International Business Machines, Corp. (IBM)	12.RD	860,226	-	-		860,226
Pass-Through Johns Hopkins University	12.RD	985,554	-	-		985,554
Pass-Through KeraNetics	12.RD	26,748	-	-		26,748
Pass-Through Leidos, Inc.	12.RD	89,255	-	-		89,255
Pass-Through Lockheed Martin Advanced Technology Laboratories	12.RD	4	-	-		4
Pass-Through Massachusetts Institute of Technology	12.RD	469,354	-	-		469,354
Pass-Through Materials Research & Design Inc	12.RD	81,526	-	-		81,526

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF DEFENSE (DOD) (continued)						
Pass-Through Medical University of South Carolina	12.RD	\$ 14,476	\$ -	\$ -	\$ -	\$ 14,476
Pass-Through Michigan State University	12.RD	9,147	-	-	-	9,147
Pass-Through National Security Technologies LLC	12.RD	55,250	-	-	-	55,250
Pass-Through Niels Bohr Institute	12.RD	159,242	-	-	-	159,242
Pass-Through Ohio State University	12.RD	12,499	-	-	-	12,499
Pass-Through Pennsylvania State University	12.RD	141,028	-	-	-	141,028
Pass-Through Pennsylvania State University	12.RD	243,061	-	-	-	243,061
Pass-Through Perceptronics Solution	12.RD	42,350	-	-	-	42,350
Pass-Through Raytheon Corporation	12.RD	431,598	-	-	-	431,598
Pass-Through Rensseler Polytechnic Institute	12.RD	132,921	-	-	-	132,921
Pass-Through Rice University	12.RD	113,025	-	-	-	113,025
Pass-Through Rice University	12.RD	267,687	-	-	-	267,687
Pass-Through Sandia National Laboratories	12.RD	78,732	-	-	-	78,732
Pass-Through Science Applications International Corporation (SAIC)	12.RD	222,190	-	-	-	222,190
Pass-Through Texas A&M University	12.RD	47,742	-	-	-	47,742
Pass-Through TT Government Solutions, Inc DBA Applied Communication Sciences	12.RD	183,981	-	-	-	183,981
Pass-Through United Technologies Corporation	12.RD	62,203	-	-	-	62,203
Pass-Through University of Arizona	12.RD	34,720	-	-	-	34,720
Pass-Through University of California, Davis	12.RD	232,004	-	-	-	232,004
Pass-Through University of California, Irvine	12.RD	77,045	-	-	-	77,045
Pass-Through University of California, San Diego	12.RD	471,284	-	-	-	471,284
Pass-Through University of Massachusetts Medical School	12.RD	424,616	-	-	-	424,616
Pass-Through University of Michigan	12.RD	140,546	-	-	-	140,546
Pass-Through University of Missouri Columbia	12.RD	2,873	-	-	-	2,873
Pass-Through University of New Mexico	12.RD	83,674	-	-	-	83,674
Pass-Through University of Pittsburgh	12.RD	1,257	-	-	-	1,257
Pass-Through University of Texas Health Science Center at San Antonio	12.RD	49,734	-	-	-	49,734
Pass-Through University of Virginia	12.RD	126,726	-	-	-	126,726
Pass-Through University of Washington	12.RD	434,756	-	-	-	434,756
Pass-Through Utah University	12.RD	1,271	-	-	-	1,271
Pass-Through Vertical Lift Consortium, Inc.	12.RD	153,249	-	-	-	153,249
Pass-Through Virginia Polytechnic Institute and State University	12.RD	195,207	-	-	-	195,207
Pass-Through Virginia Polytechnic Institute and State University	12.RD	646,750	-	-	-	646,750
Pass-Through Voss Scientific, Inc.	12.RD	137,373	-	-	-	137,373
Pass-Through Wake Forest University	12.RD	182,579	-	-	-	182,579
U.S. Army, Material Command	12.RD	11,859,056	-	-	-	11,859,056
U.S. Army, Medical Command	12.RD	3,798,208	-	-	-	3,798,208
Contract / Other	12.Unknown	-	-	2,529,318	-	2,529,318
Contract / Other - National Security Agency	12.Unknown	-	-	55,370	-	55,370
Contract / Other	12.Unknown	-	-	77,413	-	77,413
Contract / Other	12.W81XWH	32,414	-	-	-	32,414

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STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF DEFENSE (DOD) (continued)</u>						
Contract/Other - Army Research Laboratory Contract	12.W911NF-11-2-0057	\$ 14,877	\$ -	\$ -		\$ 14,877
Contract/Other - Army Research Laboratory Contract	12.W911NF-11-2-0074	95,283	-	-		95,283
Pass-Through Paragon Bioservices, Inc	12.W911QY-12-C0028	437,197	-	-		437,197
Contract / Other US Army Aberdeen Proving Grounds	12.W911-SR-13-P-0020	34,950	-	-		34,950
Contract / Other US Army Corp of Engineers	12.W912HQ-12-C-0006	199,783	-	-		199,783
Pass-Through George Mason University	12.W9132V-12-C-0006	32,475	-	-		32,475
Total Department of Defense		<u>111,930,797</u>	<u>-</u>	<u>35,534,233</u>		<u>147,465,030</u>
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</u>						
Department of Housing and Urban Development	14.000	-	-	6,305,067		6,305,067
Supportive Housing for Persons with Disabilities	14.181	-	-	1,521,548		1,521,548
Section 8 Project-Based Cluster		-	-	-		-
Section 8 Housing Assistance Payments Program	14.195	-	-	193,334,087		193,334,087
Moderate Rehab	14.856	-	-	357,910		357,910
Total Section 8 Project-Based Cluster					\$ 193,691,997	
Community Development Block Grants/Entitlement Grants	14.218	30,614	-	-		30,614
Community Development Block Grant/State's Program	14.228	-	-	13,480,328		13,480,328
Housing Assistance	14.231	-	-	1,080,696		1,080,696
Supportive Housing Program	14.235	-	-	1,039,946		1,039,946
HOME Investment Partnership Program	14.239	-	-	6,452,478		6,452,478
Housing Opportunities for Persons with AIDS	14.241	-	-	1,003,799		1,003,799
Pass-Through City of Wilmington, Delaware	14.246	-	-	29,070		29,070
Continuum of Care	14.267	-	-	3,701,688		3,701,688
EIF Grant	14.319	-	-	142,728		142,728
Fair Housing Assistance Program: State and Local	14.401	-	-	167,742		167,742
Education and Outreach Initiatives	14.416	-	-	34,388		34,388
Pass-Through University of Louisville	14.705	-	-	43,323		43,323
Section 8 Housing Choice Vouchers	14.871	-	-	16,383,109		16,383,109
Office of Policy Development and Research	14.RD	107,191	-	-		107,191
Pass-Through Innovative Housing Institute	14.RD	20,891	-	-		20,891
Pass-Through Urban Institute	14.RD	56,866	-	-		56,866
Total Department of Housing & Urban Development		<u>215,562</u>	<u>-</u>	<u>245,077,907</u>		<u>245,293,469</u>
<u>DEPARTMENT OF THE INTERIOR (DOI)</u>						
Pass-Through University of Washington	15.12123222	6,834	-	-		6,834
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	-	-	718,846		718,846
Abandoned Mine Land Reclamation (AMLR) Program	15.252	-	-	1,376,856		1,376,856
Fish and Wildlife Cluster						
Sport Fish Restoration	15.605	-	-	4,841,485		4,841,485
Wildlife Restoration	15.611	-	-	3,906,563		3,906,563
Total Fish and Wildlife Cluster					8,748,048	

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF THE INTERIOR (DOI) (continued)</u>						
Coastal Wetlands Planning, Protection and Restoration Act	15.614	\$ -	\$ -	\$ 192,298		\$ 192,298
Cooperative Endangered Species Conservation Fund	15.615	-	-	865,591		865,591
Clean Vessel Act	15.616	-	-	442,824		442,824
Sportfishing and Boating Safety Act	15.622	-	-	138,630		138,630
North American Wetlands Cons	15.623	-	-	43,300		43,300
Coastal Program	15.630	-	-	5,509		5,509
Conservation Activities by Youth Service Organizations	15.631	-	-	21,507		21,507
Landowner Incentive	15.633	-	-	132,583		132,583
Pass-Through North Dakota Game and Fish Department	15.634	-	-	15,467		15,467
State Wildlife Grants	15.634	-	-	630,070		630,070
Endangered Species Conservation Recovery	15.657	-	-	20,112		20,112
U.S. Geological Survey: Research and Data Acquisition	15.808	-	-	44,862		44,862
National Cooperative Geologic Mapping Program.)	15.810	-	-	29,352		29,352
National Geological and Geophysical Data Preservation Program	15.814	-	-	25,084		25,084
Historic Preservation Fund Grants-In-Aid	15.904	-	-	773,284		773,284
Outdoor Recreation - Acquisition, Development and Planning	15.916	-	-	630,200		630,200
Save America's Treasures	15.929	-	-	7,318		7,318
Chesapeake Bay Gate Grants	15.930	-	-	17,569		17,569
National Trails System Project	15.935	-	-	2,249		2,249
Natural Resource Stewardship	15.944	-	-	17,000		17,000
National Park Service	15.RD	459,447	-	-		459,447
Pass-Through America View, Inc	15.RD	1,943	-	-		1,943
Pass-Through Aptima, Inc.	15.RD	7,614	-	-		7,614
Pass-Through Association of Fish and Wildlife Agencies	15.RD	14,268	-	-		14,268
Pass-Through Maryland Water Resources Research Center	15.RD	26,976	-	-		26,976
Pass-Through Mississippi State University	15.RD	1,449	-	-		1,449
Pass-Through National Fish and Wildlife Foundation	15.RD	34,703	-	-		34,703
Pass-Through Palo Alto Research Center	15.RD	31,511	-	-		31,511
Pass-Through Piedmont South Atlantic Cooperative Ecosystem	15.RD	1,199	-	-		1,199
Pass-Through San Francisco State University	15.RD	128,083	-	-		128,083
Pass-Through University of Texas at Austin	15.RD	155,152	-	-		155,152
U.S. Fish and Wildlife Service	15.RD	164,245	-	-		164,245
U.S. Geological Survey	15.RD	495,278	-	-		495,278
Total Department of the Interior		1,528,702	-	14,898,559		16,427,261
<u>DEPARTMENT OF JUSTICE (DOJ)</u>						
Contract / Other	16.000	-	-	588,871		588,871
Marijuana Eradication	16.004	-	-	112,417		112,417
Judicial Education Project (G21F5)	16.013	-	-	12,887		12,887
Sexual Assault Services Formula	16.017	-	-	283,659		283,659
Juvenile Accountability Incentive Block Grants	16.523	-	-	632,712		632,712
Reduce Violent Crimes Against Women on Campus	16.525	-	-	19,085		19,085

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STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF JUSTICE (DOJ) (continued)						
Safe Havens for Children	16.527	\$ -	\$ -	\$ 94,578	\$	94,578
Juvenile Justice and Delinquency Prevention: Allocation to States	16.540	-	-	589,486		589,486
Juvenile Justice and Delinquency Prevention	16.541	-	-	129,451		129,451
Missing Children's assistance	16.543	-	-	269,883		269,883
Title V: Delinquency Prevention Program	16.548	-	-	20,846		20,846
MD Justice Statistics Program - SACS	16.550	-	-	95,643		95,643
National Criminal History Improvement Program (NCHIP)	16.554	-	-	275,633		275,633
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	-	335		335
Criminal Justice Research and Development Graduate Research Fellowships	16.562	-	-	25,000		25,000
Crime Victim Assistance	16.575	-	-	6,946,132		6,946,132
Crime Victim Compensation	16.576	-	-	2,773,831		2,773,831
Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grant	16.580	-	-	142,408		142,408
Drug Court Discretionary Grant Program	16.585	-	-	493,595		493,595
Violence Against Women Formula Grants	16.588	-	-	2,517,623		2,517,623
Residential Substance Abuse Treatment for State Prisoners	16.593	-	-	168,009		168,009
State Criminal Alien Assistance Program	16.606	-	-	1,419,976		1,419,976
Bulletproof Vest Partnership Program	16.607	-	-	33,960		33,960
Gun Violence Prosecution Program	16.609	-	-	46,265		46,265
Public Safety Partnership and Community Policing	16.710	-	-	9,426		9,426
Enforcing Underage Drinking Laws Program	16.727	-	-	26,175		26,175
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	-	5,275,610		5,275,610
DNA Capacity Enhancement FY 06 (46195)	16.741	-	-	603,387		603,387
Paul Coverdell Nat Forensic Lab	16.742	-	-	223,610		223,610
WCHD Reentry and recovery project	16.745	-	-	29,691		29,691
Support for Adam Walsh Act Implementation Grant Program	16.750	-	-	52,436		52,436
SMART - 2008	16.751	-	-	181,744		181,744
Gang Elimination Task Force (46345)	16.753	-	-	456,951		456,951
Prescription Drug Monitoring	16.754	-	-	589,448		589,448
Second Chance Act	16.812	-	-	528,804		528,804
Justice Program	16.816	-	-	64,588		64,588
Equitable Sharing Program	16.922	-	-	46,062		46,062
Bureau of Justice Assistance	16.RD	57,828	-	-		57,828
Bureau of Justice Statistics	16.RD	234,798	-	-		234,798
National Institute of Justice	16.RD	371,805	-	-		371,805
Office of Justice Programs	16.RD	361,373	-	-		361,373
Office of Juvenile Justice and Delinquency Prevention	16.RD	340,049	-	-		340,049
Pass-Through Office of the Mayor, Baltimore Maryland	16.RD	37,395	-	-		37,395
Contract / Other Bureau of Justice	16.Unknown	-	-	2,000		2,000
Total Department of Justice		1,403,248	-	25,782,217		27,185,465

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF LABOR (DOL)</u>						
Labor Force Statistics	17.002	\$ -	\$ -	\$ 1,033,470		\$ 1,033,470
Compensation and Working Conditions	17.005	-	-	271,956		271,956
Employment Service Cluster						
Employment Service	17.207	-	-	13,355,920		13,355,920
Disabled Veterans' Outreach Program (DVOP)	17.801	-	-	1,641,644		1,641,644
Local Veterans' Employment Representative Program	17.804	-	-	1,268,883		1,268,883
Total Employment Service Cluster					\$ 16,266,447	
Unemployment Insurance (Note 6)	17.225	-	-	1,060,833,478		1,060,833,478
Senior Community Service Employment Program	17.235	-	-	1,863,321		1,863,321
Trade Adjustment Assistance : Workers	17.245	-	-	12,833,183		12,833,183
Workforce Investment Act Cluster (WIA)						
Workforce Investment Act: Adult Program	17.258	-	-	9,313,720		9,313,720
Workforce Investment Act: Youth Activities	17.259	-	-	11,866,647		11,866,647
WIA Dislocated Worker Formula Grants	17.278	-	-	12,208,123		12,208,123
Total WIA Cluster					33,388,490	
Dislocated Workers Grant - ARRA	17.260	-	-	957,198		957,198
Workforce Investment Act: Dislocated Workers	17.260	-	-	2,609,978		2,609,978
CORPS	17.261	-	-	221,296		221,296
WIA Pilots, Demonstrations, and Research Projects	17.261	-	-	22,628		22,628
Work Opportunity Tax Credit Program	17.271	-	-	322,000		322,000
Labor Certification for Alien Workers	17.273	-	-	331,108		331,108
State Energy Sector Partnership - ARRA	17.275	-	-	275,665		275,665
HCTC Gap Filler III - ARRA	17.276	-	-	556,642		556,642
MARC-BRAC	17.277	-	-	1,621,232		1,621,232
Occupational Safety & Health	17.503	-	-	4,653,527		4,653,527
Consultation Agreements	17.504	-	-	795,884		795,884
Occupational Illness & Injury Prevention	17.600	-	-	25,459		25,459
Other Department of Labor	17.RD	12,035	-	-		12,035
Pass-Through Anne Arundel Community College	17.RD	13,783	-	-		13,783
Pass-Through ICF Incorporated LLC	17.RD	5,227	-	-		5,227
Total Department of Labor		31,045	-	1,138,882,962		1,138,914,007
<u>US DEPARTMENT OF STATE (DOS)</u>						
Antiterrorism Assistance – Domestic Training Programs	19.030	-	-	810,370		810,370
Pass-Through Institute of International Education	19.401	-	-	165,267		165,267
Pass-Through Institute of International Education	19.408	-	-	277,708		277,708
Academic Exchange Programs - English Language Programs	19.421	-	-	60		60

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>US DEPARTMENT OF STATE (DOS) (continued)</u>						
Bureau of Diplomatic Security	19.RD	\$ 1,249,001	\$ -	\$ -		\$ 1,249,001
Pass-Through Bigelow Laboratory for Ocean Sciences	19.RD	48,414	-	-		48,414
Pass-Through University of South Carolina Upstate	19.RD	5,599	-	-		5,599
Pass-Through DECO, Inc	19.SAQMMA11D0088	-	-	7,678		7,678
Total US Department of State		1,303,014	-	1,261,083		2,564,097
<u>DEPARTMENT OF TRANSPORTATION (DOT)</u>						
Airport Improvement Program	20.106	-	-	19,366,756		19,366,756
Highway Planning Cluster		-	-	-		-
Highway Planning and Construction	20.205	-	-	619,392,653		619,392,653
Appalachian Development Highway System	23.003	-	-	119,303		119,303
Total Highway Planning Cluster					\$ 619,511,956	
Highway Training and Education	20.215	-	-	30,500		30,500
Highway Training and Education	20.215	221,834	-	-		221,834
National Motor Carrier Safety	20.218	-	-	1,250,737		1,250,737
Commercial Driver Lic Grant Agreement	20.232	-	-	24,585		24,585
ARRA - Federal Stimulus	20.319	-	-	17,298		17,298
FRA	20.319	-	-	3,786,668		3,786,668
Federal Transit Cluster		-	-	-		-
Federal Transit: Capital Investment Grants	20.500	-	-	37,036,061		37,036,061
Federal Transit: Formula Grants	20.507	-	-	117,927,102		117,927,102
Federal Transit: Formula Grants - ARRA	20.507	-	-	359,644		359,644
MARC Fixed Guideway	20.525	-	-	41,872,065		41,872,065
Total Federal Transit Cluster					197,194,872	
Federal Transit: Metropolitan Planning Grants	20.505	-	-	9,113,466		9,113,466
Formula Grants for Other Than Urbanized Areas	20.509	-	-	5,472,245		5,472,245
Formula Grants for Other Than Urbanized Areas - ARRA	20.509	-	-	721		721
Transit Services Programs Cluster		-	-	-		-
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	-	-	1,548,638		1,548,638
Job Access: Reverse Commute	20.516	-	-	2,810,535		2,810,535
New Freedom Initiative	20.521	-	-	1,528,345		1,528,345
Total Transit Services Programs Cluster					5,887,518	
Public Transportation Research	20.514	-	-	95,217		95,217
Clean Fuels	20.519	-	-	3,382,085		3,382,085
Alternative Analysis	20.522	-	-	38,914		38,914
Evaluate Energy Efficiency and Cost Effect	20.523	-	-	995,827		995,827

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF TRANSPORTATION (DOT) (continued)						
Highway Safety Cluster						
State and Community Highway Safety	20.600	\$ -	\$ -	\$ 4,393,513		\$ 4,393,513
Alcohol Impaired Driv Countermeasures Incentive	20.601	-	-	1,588,073		1,588,073
Occupant Protection Incentive	20.602	-	-	232,914		232,914
Safety Belt Performance	20.609	-	-	62,567		62,567
State Traffic Safety Info	20.610	-	-	378,672		378,672
Incentive GR PGM Increase	20.612	-	-	161,949		161,949
Child Safety & Child Boos	20.613	-	-	123,116		123,116
Total Highway Safety Cluster		-	-		\$ 6,940,804	
Min Penalty for Rep Off	20.608	-	-	2,376,942		2,376,942
National Highway Traffic Safety Administration	20.614	-	-	118,148		118,148
National Priority Safety Program	20.616	-	-	119,498		119,498
Pipeline Safety	20.700	-	-	466,011		466,011
University Research Institutes Program	20.702	615,803	-	-		615,803
Interagency Hazardous Materials Public Sector Training and Planning	20.703	-	-	229,970		229,970
Development and Promotion of Ports and Intermodal Transportation	20.801	-	-	287,697		287,697
Contract / Other National Highway Traffic Safety Administration	20.DTNH22-08-H-00306	3,098	-	-		3,098
Pass-Through Cambridge Systematics, Inc	20.DTNH22-09-C-00124	1,926	-	-		1,926
Contract / Other National Highway Traffic Safety Administration	20.DTNH22-10-H-00298	528,405	-	-		528,405
Federal Aviation Administration	20.RD	2,916,480	-	-		2,916,480
Federal Highway Administration (FHWA)	20.RD	24,300	-	-		24,300
Other Research & Development	20.RD	971,152	-	-		971,152
Pass-Through Battelle Memorial Institute	20.RD	298,624	-	-		298,624
Pass-Through Booze Allen Hamilton, Inc.	20.RD	95,145	-	-		95,145
Pass-Through Cornell University	20.RD	2,335	-	-		2,335
Pass-Through Leidos, Inc.	20.RD	28,336	-	-		28,336
Pass-Through Michigan Technological University	20.RD	166,051	-	-		166,051
Pass-Through Pennsylvania State University	20.RD	3,891	-	-		3,891
Pass-Through Pennsylvania State University	20.RD	620,775	-	-		620,775
Pass-Through San Jose State University	20.RD	29,221	-	-		29,221
Pass-Through The National Academies- Transportation Research Board	20.RD	1,276,509	-	-		1,276,509
Pass-Through University of North Carolina, Chapel Hill	20.RD	77,093	-	-		77,093
Research and Innovative Technology Administration	20.RD	390,341	-	-		390,341
Contract / Other	20.Unknown	-	-	148,449		148,449
Contract / Other Federal Highway Administration	20.Unknown	-	-	40,269		40,269
Total US Department of Transportation		8,271,319	-	876,897,153		885,168,472
DEPARTMENT OF THE TREASURY (TREAS)						
Contract / Other	21.000	-	-	3,603,089		3,603,089
Low Income Taxpayer Clinics	21.008	-	-	110,656		110,656
Total Department of the Treasury		-	-	3,713,745		3,713,745

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>APPALACHIAN REGIONAL COMMISSION (ARC)</u>						
Allegany Co Public health Accreditation	23.002	\$ -	\$ -	\$ 3,974	\$	3,974
Appalachian Area Development	23.002	-	-	16,742		16,742
Appalachian Local Access Roads	23.008	-	-	570,343		570,343
Appalachian State Research, Technical Assistance	23.011	-	-	47,658		47,658
Appalachian State Research, Technical Assistance and Demonstration Projects	23.011	-	-	5,935		5,935
Pass-Through East Tennessee State University	23.011	-	-	4,000		4,000
Total Appalachian Regional Commission (ARC)		-	-	648,652		648,652
<u>OFFICE OF PERSONAL MANAGEMENT</u>						
Pass-Through Candid Communications	27.052012CLW	-	-	6,803		6,803
Total Office of Personal Management		-	-	6,803		6,803
<u>EQUAL EMPLOYMENT OPPORTUNITY COMMITTEE (EEOC)</u>						
Employment Discrimination: State and Local Fair Employment Practices Agency	30.002	-	-	362,184		362,184
Total Equal Employment Opportunity Committee		-	-	362,184		362,184
<u>FEDERAL COMMUNICATIONS COMMISSION (FCC)</u>						
Federal Communications Commission (FCC)	32.RD	59,718	-	-		59,718
Total Federal Communications Commission		59,718	-	-		59,718
<u>GENERAL SERVICES ADMINISTRATION (GSA)</u>						
Donation of Federal Surplus Property Program (Note 3)	39.003	-	-	93,912		93,912
Total General Services Administration		-	-	93,912		93,912
<u>NATIONAL AERONAUTICS & SPACE ADMINISTRATION (NASA)</u>						
Contract / Other IPA	43. IPA No.NNH09IA01P	-	-	69,302		69,302
Aerospace Education Services Program	43.001	-	-	1,035,376		1,035,376
Aerospace Education Services Program	43.001	1,106,811	-	-		1,106,811
Pass-Through Herchel Science Center	43.001	-	-	8,453		8,453
Pass-Through Space Telescope Science Institute	43.001	-	-	93,553		93,553
Pass-Through Universities Space Research Association	43.001	-	-	44,123		44,123
GESTAR	43.002	4,975,994	-	-		4,975,994
Government Publications Sales and Distribution	43.002	-	-	49,944		49,944
Education	43.008	-	-	121,616		121,616
Pass-Through Maryland Space Grant Consortium	43.008	-	-	12,112		12,112
Cross Agency Support	43.009	-	-	245,625		245,625
Contract / Other IPA	43. IPA No.NNH09IA05P	-	-	16,775		16,775
NASA	43.RD	53,498,266	-	-		53,498,266
Pass-Through ASRC Management Services Inc	43.RD	286,471	-	-		286,471
Pass-Through Battelle Memorial Institute	43.RD	98,284	-	-		98,284
Pass-Through Boston University	43.RD	1,112	-	-		1,112
Pass-Through California Institute of Technology	43.RD	39,684	-	-		39,684

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>NATIONAL AERONAUTICS & SPACE ADMINISTRATION (NASA) (continued)</u>						
Pass-Through California Institute of Technology and the Jet Propulsion Lab	43.RD	\$ 132,346	\$ -	\$ -	\$ -	\$ 132,346
Pass-Through California Institute of Technology Jet Propulsion Laboratory	43.RD	795,822	-	-	-	795,822
Pass-Through Carnegie Institute of Washington	43.RD	33,338	-	-	-	33,338
Pass-Through Clark University	43.RD	43,038	-	-	-	43,038
Pass-Through Colorado State University	43.RD	1,134	-	-	-	1,134
Pass-Through Cornell University	43.RD	2,543	-	-	-	2,543
Pass-Through Fibertek, Inc	43.RD	86,270	-	-	-	86,270
Pass-Through George Mason University	43.RD	27,711	-	-	-	27,711
Pass-Through Johns Hopkins University/Applied Physics Lab	43.RD	129,201	-	-	-	129,201
Pass-Through Lowell Observatory	43.RD	17,828	-	-	-	17,828
Pass-Through Massachusetts Institute of Technology	43.RD	142,070	-	-	-	142,070
Pass-Through Michigan Technological University	43.RD	151,146	-	-	-	151,146
Pass-Through National Institute of Aerospace	43.RD	341,031	-	-	-	341,031
Pass-Through Planetary Science Institute	43.RD	23,165	-	-	-	23,165
Pass-Through Princeton University	43.RD	4,834	-	-	-	4,834
Pass-Through Resources for the Future	43.RD	38,999	-	-	-	38,999
Pass-Through San Diego University	43.RD	3,767	-	-	-	3,767
Pass-Through SciberQuest, Inc	43.RD	20,658	-	-	-	20,658
Pass-Through Smithsonian Astrophysical Observatory	43.RD	53,551	-	-	-	53,551
Pass-Through South Dakota State University	43.RD	16,509	-	-	-	16,509
Pass-Through Southwest Research Institute	43.RD	107,586	-	-	-	107,586
Pass-Through Space Science Institute	43.RD	18,030	-	-	-	18,030
Pass-Through Space Telescope Science Institute	43.RD	223,857	-	-	-	223,857
Pass-Through Universities Space Research Association	43.RD	108,232	-	-	-	108,232
Pass-Through University of California at Berkley	43.RD	50,897	-	-	-	50,897
Pass-Through University of Colorado	43.RD	92,118	-	-	-	92,118
Pass-Through University of Hawaii	43.RD	79,118	-	-	-	79,118
Pass-Through University of Houston	43.RD	4,663	-	-	-	4,663
Pass-Through University of Massachusetts, Boston	43.RD	15,575	-	-	-	15,575
Pass-Through University of Michigan	43.RD	85,347	-	-	-	85,347
Pass-Through University of South Carolina	43.RD	71,093	-	-	-	71,093
Pass-Through University of Virginia	43.RD	60,609	-	-	-	60,609
Pass-Through University of Washington	43.RD	135,113	-	-	-	135,113
Pass-Through University of Wisconsin	43.RD	172,892	-	-	-	172,892
Pass-Through Von Braun Center for Science and Innovation	43.RD	5,639	-	-	-	5,639
Pass-Through Woods Hole Research Center	43.RD	93,252	-	-	-	93,252
Total National Aeronautics & Space Administration		63,395,604	-	1,696,879	-	65,092,483
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES (NEH)</u>						
Promotion of the Arts: Grants to Organizations and Individuals	45.024	-	-	10,000	-	10,000
Promotion of the Arts: Grants to Organizations and Individuals	45.024	-	-	55,000	-	55,000
Promotion of the Arts: Grants to Organizations and Individuals	45.024	-	-	55,001	-	55,001

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STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES (NEH) (continued)</u>						
Promotion of the Arts: Partnership Agreements	45.025	\$ -	\$ -	\$ 693,100		\$ 693,100
Pass-Through Mid-Atlantic Arts Foundation	45.025	-	-	13,889		13,889
We the people project	45.160	-	-	13,106		13,106
NEH Colonial Encounters: The Lower Potomac River	45.161	-	-	79,219		79,219
Pass-Through University of Nebraska	45.161	-	-	14,032		14,032
NEH Enduring Questions Course on Materialism in Human Life	45.163	-	-	2,189		2,189
Pass-Through St Louis University	45.163	-	-	13,050		13,050
Promotion of the Humanities: Seminars and Institutes	45.163	-	-	2,890		2,890
Promotion of the Humanities Digital Humanities Initiative	45.169	-	-	253,022		253,022
Museum Grants for African American History and Culture	45.309	-	-	13,633		13,633
State Library Program	45.310	-	-	2,118,341		2,118,341
National Leadership Grants	45.312	-	-	1,900		1,900
Laura Bush 21 Century Librarian Program	45.313	-	-	522,684		522,684
Institute of Museum and Library Services	45.RD	185,725	-	-		185,725
National Endowment for the Arts	45.RD	18,304	-	-		18,304
National Endowment for the Humanities	45.RD	276,123	-	-		276,123
Pass-Through American Library Association	45.RD	236,329	-	-		236,329
Pass-Through Howard County Library System	45.RD	8,916	-	-		8,916
Pass-Through New York Public Library	45.RD	85,738	-	-		85,738
Pass-Through University of Texas at Austin	45.RD	26,189	-	-		26,189
Total National Endowment for the Humanities		837,324	-	3,861,056		4,698,380
<u>NATIONAL SCIENCE FOUNDATION (NSF)</u>						
Contract / Other IPA Agreement	47. IPA No. CNS1340688	277,967	-	-		277,967
Contract / Other IPA Agreement	47. IPA.No. IIS1261608	246,134	-	-		246,134
Contract / Other IPA Agreement	47. IPA.No. IOS1219319	11,589	-	-		11,589
Engineering Grants	47.041	-	-	384,760		384,760
Engineering Grants	47.041	130,534	-	-		130,534
Emerging Scholars Research Experience for Undergraduates	47.049	-	-	29,233		29,233
Mathematical and Physical Sciences	47.049	41,583	-	-		41,583
Mathematical and Physical Sciences	47.049	-	-	110,325		110,325
Mathematical and Physical Sciences - ARRA	47.049	106	-	-		106
Geosciences	47.050	-	-	182,421		182,421
Hyperspec Remote Sensing	47.050	38,360	-	-		38,360
Collaborative Research BPC-ARTSI	47.070	3,741	-	-		3,741
Computer and Information Science and Engineering	47.070	-	-	173,198		173,198
Pass-Through Brown University	47.070	-	-	11,728		11,728
Pass-Through Georgia Institute of Technology	47.070	-	-	1,428		1,428
Biological Sciences	47.074	-	-	941,766		941,766
Social, Behavioral, and Economic Sciences	47.075	-	-	760		760
Collaborative Research: A Student-Centered Organic Laboratory	47.076	-	-	21,871		21,871
Education and Human Resources	47.076	851,505	-	-		851,505

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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>NATIONAL SCIENCE FOUNDATION (NSF) (continued)</u>						
Education and Human Resources	47.076	\$ -	\$ -	\$ 11,104,073		\$ 11,104,073
Pass-Through Colorado State University	47.076	-	-	6,004		6,004
Pass-Through Museum of Science-Boston	47.076	-	-	78,969		78,969
Pass-Through Stevens Institute of Technology	47.076	-	-	1,023		1,023
St. Mary's College of Maryland STEM Navigators	47.076	-	-	77,374		77,374
Pass-Through Mathematical Association of America	47.079	-	-	700		700
Office of Cyberinfrastructure	47.080	-	-	882,804		882,804
Trans-NSF Recovery Act Research Support	47.082	-	-	252,956		252,956
Trans-NSF Recovery Act Research Support - ARRA	47.082	2,203,464	-	-		2,203,464
Pass-Through University of Texas-Pan American - ARRA	47.082	5,276	-	-		5,276
Contract / Other IPA Agreement	47.IPA No. ECCS1419091	132,811	-	-		132,811
Pass-Through MycoInnovation, LLC	47.RD	66,012	-	-		66,012
National Science Foundation (NSF)	47.RD	62,950,026	-	-		62,950,026
Pass-Through The New York Botanical Garden	47.RD	4,414	-	-		4,414
Pass-Through Academy for Educational Development	47.RD	549,481	-	-		549,481
Pass-Through American Educational Research Association	47.RD	4,650	-	-		4,650
Pass-Through Arizona State University	47.RD	48,944	-	-		48,944
Pass-Through Batelle Memorial Institute	47.RD	1,970	-	-		1,970
Pass-Through BBNT Solutions, LLC	47.RD	59,833	-	-		59,833
Pass-Through Black Hills State University	47.RD	3,201	-	-		3,201
Pass-Through Boston University	47.RD	42,496	-	-		42,496
Pass-Through California Institute of Technology	47.RD	42,842	-	-		42,842
Pass-Through Carnegie Mellon University	47.RD	62,086	-	-		62,086
Pass-Through Cary Institute of Ecosystem Studies	47.RD	343,256	-	-		343,256
Pass-Through Case Western University	47.RD	64,725	-	-		64,725
Pass-Through Center for Research on Changing Earth	47.RD	32,916	-	-		32,916
Pass-Through Columbia University	47.RD	61,405	-	-		61,405
Pass-Through Computing Research Association	47.RD	29,287	-	-		29,287
Pass-Through Duke University	47.RD	11,045	-	-		11,045
Pass-Through Ecological Society of America	47.RD	7,326	-	-		7,326
Pass-Through Education Development Center	47.RD	23,655	-	-		23,655
Pass-Through Howard University	47.RD	99,314	-	-		99,314
Pass-Through Illinois Institute of Technology	47.RD	20,642	-	-		20,642
Pass-Through Johns Hopkins University	47.RD	190,494	-	-		190,494
Pass-Through Johns Hopkins University / Applied Physics Lab	47.RD	53,039	-	-		53,039
Pass-Through Lockheed Martin Corporation	47.RD	3,525	-	-		3,525
Pass-Through Louisiana State University	47.RD	112,504	-	-		112,504
Pass-Through Michigan State University	47.RD	15,402	-	-		15,402
Pass-Through National Radio Astronomy Observatory	47.RD	41,107	-	-		41,107
Pass-Through Oregon Health & Science University	47.RD	20,599	-	-		20,599
Pass-Through Praxidux LLC	47.RD	46,000	-	-		46,000
Pass-Through Purdue University	47.RD	481	-	-		481

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>NATIONAL SCIENCE FOUNDATION (NSF) (continued)</u>						
Pass-Through Raytheon BBN Technologies	47.RD	\$ 110,307	\$ -	\$ -		\$ 110,307
Pass-Through Remedium Technologies	47.RD	29,880	-	-		29,880
Pass-Through Research Foundation of State University of New York	47.RD	16,276	-	-		16,276
Pass-Through Resources for the Future	47.RD	19,198	-	-		19,198
Pass-Through Stanford University	47.RD	38,339	-	-		38,339
Pass-Through The City University of New York	47.RD	29,219	-	-		29,219
Pass-Through University of Arizona	47.RD	155,948	-	-		155,948
Pass-Through University of California, Davis	47.RD	2,309	-	-		2,309
Pass-Through University of California, Los Angeles	47.RD	60,869	-	-		60,869
Pass-Through University of California, San Diego	47.RD	8,674	-	-		8,674
Pass-Through University of Georgia	47.RD	89,511	-	-		89,511
Pass-Through University of Illinois	47.RD	1,451	-	-		1,451
Pass-Through University of Illinois at Urbana-Champaign	47.RD	99,053	-	-		99,053
Pass-Through University of Massachusetts	47.RD	6,275	-	-		6,275
Pass-Through University of Michigan	47.RD	222,613	-	-		222,613
Pass-Through University of Missouri, Kansas City	47.RD	500	-	-		500
Pass-Through University of Norte Dame	47.RD	43,139	-	-		43,139
Pass-Through University of North Carolina at Chapel Hill	47.RD	130,960	-	-		130,960
Pass-Through University of North Carolina at Charlotte	47.RD	111,938	-	-		111,938
Pass-Through University of Washington	47.RD	3	-	-		3
Pass-Through University of Wisconsin	47.RD	354,126	-	-		354,126
Pass-Through Vanderbilt University	47.RD	88,900	-	-		88,900
Pass-Through Virginia Commonwealth University	47.RD	109,340	-	-		109,340
Pass-Through Virginia Polytechnic Institute and State University	47.RD	32,217	-	-		32,217
Pass-Through Woods Hole Oceanographic	47.RD	5,530	-	-		5,530
Pass-Through Wright State University	47.RD	14,735	-	-		14,735
Total National Science Foundation		<u>70,737,057</u>	<u>-</u>	<u>14,261,393</u>		<u>84,998,450</u>
<u>SECURITIES AND EXCHANGE COMMISSION (SEC)</u>						
Contract/Other	58.IPA No.3500FY12IPA3	-	-	15,402		15,402
Total Securities and Exchange Commission		<u>-</u>	<u>-</u>	<u>15,402</u>		<u>15,402</u>
<u>SMALL BUSINESS ADMINISTRATION</u>						
Small Business Development Center	59.037	-	-	1,842,215		1,842,215
Small Business Jobs Act of 2010	59.061	-	-	329,439		329,439
Entrepreneurial Development Disaster Assistance (Disaster Relief Appropriations Act)	59.064	-	-	39,378		39,378
SBA – Research and Development	59.RD	400,852	-	-		400,852
Total Small Business Administration		<u>400,852</u>	<u>-</u>	<u>2,211,032</u>		<u>2,611,884</u>

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF VETERAN AFFAIRS (VA)</u>						
State Veterans Home	64.007	\$ -	\$ -	\$ 439,970	\$	439,970
Veterans State Nursing Home Care	64.015	-	-	12,592,313		12,592,313
Veteran Directed Home & Community	64.022	-	-	401,506		401,506
Burial Expenses Allowance	64.101	-	-	1,247,390		1,247,390
Vocational and Educational Counseling for Service Members and Veterans	64.125	-	-	228,057		228,057
State Cemetery Grants	64.203	-	-	368,828		368,828
Contract/Other	64.241P0546	-	-	90,646		90,646
Contract/Other	64.24513C0056	-	-	120,000		120,000
Contract/Other	64.24514P0771	-	-	4,582		4,582
Contract/Other	64.512D35038	-	-	49,446		49,446
Contract/Other IPA Agreement	64.IPA	-	-	4,947,579		4,947,579
Contract/Other IPA Agreement	64.IPA	56,371	-	-		56,371
Veterans Benefits Administration – Research and Development	64.RD	1,764	-	-		1,764
Veterans Health Administration – Research and Development	64.RD	436,450	-	-		436,450
Total Department of Veteran Affairs		494,585	-	20,490,317		20,984,902
<u>ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>						
Phase 2 NO2 Near Road Monitoring Grant	66.001	-	-	15,599		15,599
Pass-Through Baltimore City Health Department	66.034	-	-	13,175		13,175
Spec. Purpose Activities	66.034	-	-	559,842		559,842
Pass-Through Mid-Atlantic regional Air Management Association	66.039	-	-	10,211		10,211
Maryland Clean Diesel	66.040	-	-	140,215		140,215
Pass-Through Western Maryland Resource Conservation and Development Council	66.050	-	-	75,748		75,748
Congressionally Mandated Projects	66.202	-	-	125,349		125,349
Environmental Finance Center Grants	66.203	-	-	248,264		248,264
Pass-Through New Mexico Institute of Mining and Technology	66.424	-	-	126,709		126,709
Water Quality Management Planning	66.454	-	-	367,544		367,544
Nonpoint Source Implementation Grants	66.460	-	-	134,707		134,707
Nonpoint Source Implementation Grants	66.460	-	-	2,964,474		2,964,474
Chesapeake Bay Program	66.466	-	-	134,625		134,625
Chesapeake Bay Program	66.466	-	-	7,669,092		7,669,092
Pass-Through Alliance for the Chesapeake Bay	66.466	-	-	38,717		38,717
Pass-Through National Fish & Wildlife Foundation	66.466	-	-	369,542		369,542
Beach Monitoring and Notification Program Implementation Grants	66.472	-	-	267,041		267,041
Science To Achieve Results (STAR) Fellowship Program	66.514	-	-	10,955		10,955
Performance Partnership Grants (PPGs)	66.605	-	-	10,502,133		10,502,133
Environmental Information Exchange Network Grant Program	66.608	-	-	16,269		16,269
Pollution Prevention Grants Program	66.708	-	-	78,631		78,631
Superfund State Site: Specific Cooperative Agreements	66.802	-	-	575,140		575,140
State and Tribal Underground Storage Tanks Program	66.804	-	-	320,240		320,240

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>ENVIRONMENTAL PROTECTION AGENCY (EPA) (continued)</u>						
Leaking Underground Storage Tank Program	66.805	\$ -	\$ -	\$ 845,091		\$ 845,091
Solid Waste Management Assistance	66.808	-	-	532		532
Superfund State and Indian Tribe Core Program: Cooperative Agreements	66.809	-	-	294,029		294,029
State and Tribal Response Program Grants	66.817	-	-	265,471		265,471
Pass-Through National Nursing Centers Consortium	66.951	-	-	1,564		1,564
Contract / Other	66.EP-12-H-000675	14,729	-	-		14,729
Office of Research and Development	66.RD	1,621,212	-	-		1,621,212
Pass-Through Maryland Coastal Bays Project	66.RD	10,860	-	-		10,860
Pass-Through Michigan State University	66.RD	67,417	-	-		67,417
Pass-Through National Fish and Wildlife Foundation	66.RD	429,540	-	-		429,540
Pass-Through New Hope Academy	66.RD	14,442	-	-		14,442
Pass-Through Pennsylvania State University	66.RD	18	-	-		18
Pass-Through Pennsylvania State University	66.RD	18	-	-		18
Pass-Through Prince George's County Government	66.RD	296,392	-	-		296,392
Pass-Through Skidaway Institute of Oceanography	66.RD	43,388	-	-		43,388
Pass-Through Swarthmore College	66.RD	200	-	-		200
Pass-Through University of Illinois at Urbana-Champaign	66.RD	112,031	-	-		112,031
Pass-Through University of South Florida	66.RD	2,571	-	-		2,571
Total Environmental Protection Agency		<u>2,612,818</u>	<u>-</u>	<u>26,170,909</u>		<u>28,783,727</u>
<u>NATIONAL GALLERY OF ART</u>						
CERCLA Section 1289a0 State Resp Coop Agr	68.809	-	-	18,855		18,855
Total National Gallery of Art		<u>-</u>	<u>-</u>	<u>18,855</u>		<u>18,855</u>
<u>NUCLEAR REGULATORY COMMISSION (NRC)</u>						
Nuclear Education Grant Program - Curricula Development	77.006	-	-	63,199		63,199
US Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	-	-	77,947		77,947
Other National Regulatory Commission – Research and Development	77.RD	24	-	-		24
Total Nuclear Regulatory Commission		<u>24</u>	<u>-</u>	<u>141,146</u>		<u>141,170</u>
<u>DEPARTMENT OF ENERGY (DOE)</u>						
Granting of Patent Licenses	81.003	-	-	99,940		99,940
St Energy Conservation Prg	81.041	-	-	74,779		74,779
State Energy Program	81.041	-	-	673,953		673,953
Weatherization Assistance for Low-Income Persons	81.042	-	-	1,224,666		1,224,666
Office of Science Financial Assistance Program	81.049	-	-	9,085		9,085
Office of Science Financial Assistance Program - ARRA	81.049	103,638	-	-		103,638
Pass-Through Purdue University - ARRA	81.049	19,820	-	-		19,820
Conservation Research an Development	81.086	404,927	-	-		404,927
Renewable Energy Research and Development	81.087	-	-	31,749		31,749
State Heating Oil and Propane Programs	81.090	-	-	10,000		10,000
Pass-Through Battelle Corporation - ARRA	81.114407	345,439	-	-		345,439

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STATE OF MARYLAND
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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF ENERGY (DOE) (continued)</u>						
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	\$ -	\$ -	\$ 115,494	\$	115,494
State Energy Program Special Projects	81.119	-	-	356,601		356,601
(NNSA) Minority Serving Institutions (MSI) Program	81.123	169,693	-	-		169,693
EE Appliance Rebate Program	81.127	-	-	45,595		45,595
Energy Efficiency & Conservation Block Grant Program	81.128	-	-	9,302,652		9,302,652
Energy Efficiency & Conservation Block Grant Program - ARRA	81.128	-	-	307,417		307,417
Advanced Research and Projects Agency - Energy - ARRA	81.135	961	-	-		961
Pass-Through Princeton University	81.DE-AC02-09CH11466	32,939	-	-		32,939
Pass-Through Jefferson Science Associates, LLC/Jefferson Laboratory	81.DEAC0506OR23177	14,989	-	-		14,989
Department of Energy – Research and Development	81.RD	12,691,220	-	-		12,691,220
Pass-Through Ames Laboratory	81.RD	278,352	-	-		278,352
Pass-Through Battelle Energy Alliance	81.RD	153,612	-	-		153,612
Pass-Through Battelle Memorial Institute	81.RD	167,320	-	-		167,320
Pass-Through Brookhaven National Laboratory	81.RD	54,750	-	-		54,750
Pass-Through Calabazas Creek Research, Inc.	81.RD	65,489	-	-		65,489
Pass-Through Fermilab	81.RD	98,349	-	-		98,349
Pass-Through General Atomics	81.RD	23,291	-	-		23,291
Pass-Through Green Technology, Inc	81.RD	1,604	-	-		1,604
Pass-Through Idaho State University	81.RD	49,717	-	-		49,717
Pass-Through ITN Energy Systems, Inc	81.RD	39,739	-	-		39,739
Pass-Through Lawrence Livermore National Laboratory	81.RD	164,071	-	-		164,071
Pass-Through Sandia National Laboratories	81.RD	225,385	-	-		225,385
Pass-Through Savannah River Nuclear Solutions	81.RD	57,009	-	-		57,009
Pass-Through University of California, Berkeley	81.RD	12,557	-	-		12,557
Pass-Through University of Michigan	81.RD	107,537	-	-		107,537
Pass-Through University of Texas - Austin	81.RD	21,964	-	-		21,964
Pass-Through University of Virginia	81.RD	170,877	-	-		170,877
Pass-Through University of Wisconsin	81.RD	64,302	-	-		64,302
Pass-Through URS Corporation	81.RD	75,991	-	-		75,991
Pass-Through UT Battelle LLC	81.RD	190,933	-	-		190,933
Pass-Through Yale University	81.RD	69,601	-	-		69,601
Pass-Through Fermi National Accelerator Laboratory (Fermilab)	81.Unknown	-	-	100,800		100,800
Total Department of Energy		15,876,076	-	12,352,731		28,228,807
<u>DEPARTMENT OF EDUCATION (ED)</u>						
Adult Education: State Grant Program	84.002	-	-	9,857,479		9,857,479
Federal Supplemental Educational Opportunity Grants	84.007	-	5,743,326	-		5,743,326
Title I Grants to Local Educational Agencies (LEAs)	84.010	-	-	196,449,443		196,449,443
Migrant Education: State Grant Program	84.011	-	-	983,134		983,134
Title I Program for Neglected and Delinquent Children	84.013	-	-	1,969,025		1,969,025
International Research & Studies	84.017	-	-	71,510		71,510

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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF EDUCATION (ED) (continued)						
International: Overseas: Group Projects Abroad	84.021	\$ -	\$ -	\$ 18,631		\$ 18,631
IDEA Part B Cluster						
Special Education: Grants to States	84.027	-	-	183,952,377		183,952,377
Pass-Through Government of the District of Columbia	84.027	-	-	180,000		180,000
Special Education: Preschool Grants	84.173	-	-	5,949,279		5,949,279
Total IDEA Part B Cluster					\$ 190,081,656	
Higher Education: Institutional Aid	84.031	-	-	24,725,411		24,725,411
Federal Family Educational Loan	84.032	-	-	9,957,017		9,957,017
Federal Work-Study Program	84.033	-	5,845,154	-		5,845,154
Federal Perkins Loan Cancellations	84.037	-	604,913	-		604,913
Federal Perkins Loan Program - Federal Capital Contribution	84.038	-	71,344,438	-		71,344,438
TRIO Cluster						
TRIO - Student Support Services	84.042	-	-	1,633,649		1,633,649
TRIO - Talent Search	84.044	-	-	515,171		515,171
TRIO - Upward Bound	84.047	-	-	4,071,992		4,071,992
TRIO - Educational Opportunity Centers	84.066	-	-	258,591		258,591
TRIO - McNair Post – Baccalaureate Achievement	84.217	-	-	467,312		467,312
Total TRIO Cluster					6,946,715	
Vocational Education: Basic Grants to States	84.048	-	-	15,217,196		15,217,196
Vocational, Education - Basic Grants to the State	84.048	-	-	287,517		287,517
Automotive Technology Group	84.051	-	-	258,133		258,133
Federal Pell Grant Program	84.063	-	165,848,902	-		165,848,902
Fund for the Improvement of Postsecondary Education	84.116	-	-	52,026		52,026
Minority Science and Engineering Improvement	84.120	-	-	220,541		220,541
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	-	-	42,450,691		42,450,691
Rehabilitation Long-Term Training	84.129	-	-	298,103		298,103
National Institute on Disability and Rehabilitation Research	84.133	-	-	21,980		21,980
Migrant Education Coordination Program	84.144	-	-	64,308		64,308
Rehabilitation Services: Client Assistance Program	84.161	-	-	259,536		259,536
Independent Living: State Grants	84.169	-	-	448,147		448,147
Rehabilitation Service: Independent Living Services for Older Blind Individuals	84.177	-	-	548,583		548,583
Special Education: Grants for Infants and Families with Disabilities	84.181	-	-	7,410,280		7,410,280
Safe and Drug-Free Schools and Communities National Programs	84.184	-	-	2,940,715		2,940,715
Supported Employment Services for Individuals with Severe Handicaps	84.187	-	-	273,002		273,002
Bilingual Education: Professional Development	84.195	-	-	403,574		403,574
Education of Homeless Children & Youth	84.196	-	-	668,310		668,310
Graduate Assistance in Areas of National Need	84.200	-	-	705,062		705,062

The accompanying notes are an integral part of this schedule.

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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF EDUCATION (ED) (continued)						
Fund for the Improvement of Education	84.215	\$ -	\$ -	\$ 323,007		\$ 323,007
Pass-Through Anne Arundel County Public Schools	84.215	-	-	74,032		74,032
Pass-Through Baltimore County Public Schools	84.215	-	-	4,143		4,143
Pass-Through Howard Co Public Schools	84.215	-	-	110,357		110,357
Assistive Technology	84.224	-	-	488,261		488,261
Rehabilitation Services Demonstration and Training	84.235	-	-	225,317		225,317
Rehabilitation Training: State Vocational Rehabilitation Unit In-Service Training	84.265	-	-	93,511		93,511
Federal Direct Student Loans	84.268	-	879,180,948	-		879,180,948
Twenty-First Century Community Learning Centers	84.287	-	-	10,282,636		10,282,636
Special Education: State Program Improvement Grants for Children with Disabilities	84.323	-	-	918,289		918,289
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	-	-	805,034		805,034
Special Education: Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	-	-	370,156		370,156
Advanced Placement Incentive Program	84.330	-	-	751,800		751,800
Child Care Access Means Parents in School	84.335	-	-	41,876		41,876
Underground Railroad Educational and Cultural Program	84.345	-	-	144,947		144,947
Transition to Teaching	84.350	-	-	380,746		380,746
Rural and Low Income Schools	84.358	-	-	153,467		153,467
English Language Acquisition Grants	84.365	-	-	9,506,160		9,506,160
Mathematics and Science Partnerships	84.366	-	-	1,048,922		1,048,922
Pass-Through Mult Cultural Intern Program Inc.	84.366	-	-	101,061		101,061
Improving Teacher Quality State Grants	84.367	-	-	30,379,410		30,379,410
Pass-Through MHEC	84.367	-	-	84,928		84,928
Pass-Through National Writing Project Corporation, University of California	84.367	-	-	34,070		34,070
Guide Accessibility and Assessment Program (GAAP)	84.368	-	-	853,448		853,448
Grants for State Assessments and Related Activities	84.369	-	-	6,149,116		6,149,116
Statewide Longitudinal Data System	84.372	-	-	2,569,144		2,569,144
School Improvement Grants Cluster						
School Improvement Grants	84.377	-	-	8,752,476		8,752,476
School Improvement Grants - ARRA	84.388	-	-	3,843,423		3,843,423
Total School Improvement Grants Cluster					\$ 12,595,899	
College Access Challenge Grant Program	84.378	-	-	1,181,980		1,181,980
Teacher Education Assistance for College and High Education Grants (TEACH)	84.379	-	310,793	-		310,793
Strengthening Minority-Serving Institutions	84.382	-	-	669,126		669,126
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants - ARRA	84.395	-	-	76,750,552		76,750,552
Pass-Through Baltimore City Public Schools - ARRA	84.395	-	-	599,860		599,860
Race to the Top - Early Learning Challenge Maryland Excels	84.412	-	-	9,560,716		9,560,716
Pass-Through Maryland Family Network	84.412	-	-	25,912		25,912
Prom readiness of Minors in Suppl Security Income	84.418	-	-	916,477		916,477
Pass-Through National Writing Project Corporation, University of California	84.928	-	-	8		8
Pass-Through University of California, Berkley	84.928	-	-	15,032		15,032

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Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF EDUCATION (ED) (continued)</u>						
Institute of Education Sciences	84.RD	\$ 677,728	\$ -	\$ -		\$ 677,728
Pass-Through Boston University	84.RD	9,165	-	-		9,165
Pass-Through Carnegie Mellon University	84.RD	2,796	-	-		2,796
Pass-Through Casa De Maryland, Inc	84.RD	35,521	-	-		35,521
Pass-Through Duke University	84.RD	30,300	-	-		30,300
Pass-Through Johns Hopkins University	84.RD	13,768	-	-		13,768
Pass-Through Prince George's County Government	84.RD	95,810	-	-		95,810
Pass-Through TransCen, Inc.	84.RD	71,183	-	-		71,183
Pass-Through University of California, Los Angeles	84.RD	12,721	-	-		12,721
Pass-Through University of Kansas	84.RD	63,310	-	-		63,310
Pass-Through University of Michigan	84.RD	449	-	-		449
Pass-Through Washington, DC Office of the State Superintendent of Education, Career and Technical Education	84.RD	72,030	-	-		72,030
Postsecondary Education	84.RD	381,259	-	-		381,259
Special Education and Rehabilitative Services	84.RD	483,900	-	-		483,900
Contract/Other	84.unknown	-	-	24,744		24,744
Pass-Through Baltimore City Public School Systems	84.unknown	-	-	512,367		512,367
Contract/Other Office of Asstant Secretary for Innovation& Improvement	84.unknown	-	-	2,997		2,997
Total Department of Education		1,949,940	1,128,878,474	682,337,233		1,813,165,647
<u>SMITHSONIAN INSTITUTION</u>						
Smithsonian Institution Fellowship Program	85.601	-	-	14,417		14,417
Smithsonian Institution	85.RD	57,008	-	-		57,008
Total Smithsonian Institute		57,008	-	14,417		71,425
<u>NATIONAL ARCHIVES & RECORDS ADMINISTRATION</u>						
National Historical Publications & Records Grants	89.003	-	-	5,726		5,726
National Archives and Records Administration – Research and Development	89.RD	136,454	-	-		136,454
Total National Archives & Records Administration		136,454	-	5,726		142,180
<u>US ELECTION ASSISTANCE COMMISSION (EAC)</u>						
Help America Vote Act	90.401	-	-	244,541		244,541
Pass-Through Information Technology and Innovation Foundation	90.RD	26,755	-	-		26,755
United States Institute of Peace - Research & Development	91.RD	25,000	-	-		25,000
Total US Election Assistance Commission		51,755	-	244,541		296,296
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)</u>						
Pass-Through Healthcare Management Solutions, LLC	93HHSM500201300169C	104,948	-	-		104,948
Contract / Other	93.000	-	-	2,816,898		2,816,898
Pass-Through National Association of County & City Health Officials						
Public Health Information	93.000	-	-	23,421		23,421
Pass-Through Synectics	93.000	-	-	49,263		49,263
Pass-Through National Association of Counties and Cities Health Officials	93.008	-	-	3,246		3,246

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)						
Programs for Prevention of Elder Abuse	93.041	\$ -	\$ -	\$ 84,964		\$ 84,964
Long term care ombudsman services for older individuals	93.042	-	-	296,971		296,971
Special Programs for the Aging: Title III, Part F: Disease Prevention and Health Promotion Services	93.043	-	-	276,416		276,416
Aging Cluster						
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	-	-	8,217,454		8,217,454
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	-	-	8,068,191		8,068,191
Nutrition Services Incentive Program	93.053	-	-	1,485,528		1,485,528
Total Aging Cluster					\$ 17,771,173	
Special Programs for the Aging: Title IV: Training, Research and Discretionary Projects & Programs	93.048	-	-	314,332		314,332
Nation Family Caregiver Support Program	93.052	-	-	2,109,666		2,109,666
Pass-Through Baltimore City Health Department	93.064	-	-	62,635		62,635
Etest Neisseria Gonorrhoeae Isolates	93.065	-	-	6,000		6,000
Global AIDS	93.067	-	-	12,565,227		12,565,227
Pass-Through Catholic Medical Mission Board	93.067	-	-	22,106		22,106
Pass-Through Catholic Relief Services	93.067	-	-	6,423,907		6,423,907
Pass-Through Center for Clinical Care and Research	93.067	-	-	2,887,634		2,887,634
Pass-Through Christian Health Association of Kenya	93.067	-	-	182,762		182,762
Pass-Through Institute of Human Virology, Nigeria	93.067	-	-	1,785,513		1,785,513
Pass-Through Kenya Episcopal Conference-Catholic Services	93.067	-	-	298,524		298,524
Pass-Through University of Nairobi	93.067	-	-	1,327,463		1,327,463
Pass-Through University of Zambia	93.067	-	-	416,464		416,464
Public Health Emergency Preparedness	93.069	-	-	11,662,854		11,662,854
Asthma - From a Public Health Perspective	93.070	-	-	602,227		602,227
Futures Without Violence Project	93.088	-	-	125,567		125,567
IVE-Guardianship	93.090	-	-	1,236,407		1,236,407
Personal Responsibility Education	93.092	-	-	820,108		820,108
Food and Drug Administration: Research	93.103	-	-	1,181,019		1,181,019
Pass-Through Oak Ridge Institute for Science & Education	93.103	-	-	6,798		6,798
Comprehensive Community Mental Health Services for SED	93.104	-	-	1,209,390		1,209,390
Pass-Through SAIC-Frederick, Inc - ARRA	93.10ST1116ST02	99,776	-	-		99,776
Maternal and Child Health Federal Consolidated Programs	93.110	72,056	-	-		72,056
Maternal and Child Health Federal Consolidated Programs	93.110	-	-	738,329		738,329
Biological Response to Environmental Health Hazards	93.113	-	-	28,353		28,353
Project Grants and Cooperative agreements for Tuberculosis Control Programs	93.116	-	-	1,286,470		1,286,470
Oral Diseases and Disorders Research	93.121	-	-	52,145		52,145
Emergency Medical Services for Children	93.127	-	-	117,826		117,826
Primary Care Services: Resource Coordination and Development: Primary Care Offices	93.130	-	-	240,647		240,647
Injury Prevention and Control Research and State and Community Based Programs	93.136	-	-	976,848		976,848

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
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Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)						
Sexual Assault Prevention	93.136	\$ 2,762	\$ -	\$ -	\$ -	\$ 2,762
Pass-Through University of Pittsburg	93.145	-	-	362,912	-	362,912
Project for Assistance in Transition from Homelessness (PATH)	93.150	-	-	1,141,945	-	1,141,945
Coordinated HIV Services and Access to Research for Children, Youth, Women and Families	93.153	-	-	828,144	-	828,144
Grants for State Loan Repayments	93.165	-	-	9,978	-	9,978
Pass-Through Institute of Human Virology, Nigeria	93.172	-	-	24,573	-	24,573
Research Related to Deafness and Communication Disorders	93.173	-	-	395,296	-	395,296
Pass-Through University of Texas at Austin	93.186	-	-	4,883	-	4,883
Pass-Through Westat Corporation	93.200-2011-37926/0001	-	-	59,959	-	59,959
Contract / Other Center for Disease Control	93.200-2011-42064	96,191	-	-	-	96,191
Family Planning: Services	93.217	-	-	4,761,505	-	4,761,505
Pass-Through Baltimore City Health Department	93.217	-	-	30,453	-	30,453
Research on Healthcare Costs, Quality and Outcomes	93.226	-	-	22,387	-	22,387
Research on Healthcare Costs, Quality and Outcomes	93.226	28,609	-	-	-	28,609
Abstinence Education	93.235	-	-	295,337	-	295,337
Oral Health Workforce Activities	93.236	-	-	494,608	-	494,608
Mental Health Research Grants	93.242	2,176	-	-	-	2,176
Mental Health Research Grants	93.242	-	-	3,876	-	3,876
Substance Abuse and Mental Health Services	93.243	197,729	-	-	-	197,729
Substance Abuse and Mental Health Services	93.243	-	-	5,729,241	-	5,729,241
Pass-Through American Institutes for Research	93.243	-	-	100,797	-	100,797
Pass-Through University of Georgia	93.243	-	-	11,325	-	11,325
Pass-Through University of Pittsburgh	93.243	-	-	21,556	-	21,556
Pass-Through Johns Hopkins University	93.249	-	-	29,892	-	29,892
Universal Newborn Hearing Screening	93.251	-	-	132,971	-	132,971
Poison Center Support and Enhancement Grant Program	93.253	-	-	272,274	-	272,274
Maryland Occupational Health Surveillance	93.262	-	-	87,866	-	87,866
Pass-Through University of Kentucky Research Foundation	93.262	-	-	90,148	-	90,148
Nurse Faculty Loan Program (NFLP)	93.264	-	102,999	-	-	102,999
Nurse Faculty Loan Program (NFLP) - ARRA	93.264	-	2,887	-	-	2,887
Immunization Grants	93.268	-	-	4,158,987	-	4,158,987
Adult Viral Hepatitis Prevention and Control	93.270	-	-	100,346	-	100,346
Maryland Access Recovery	93.275	-	-	3,161,207	-	3,161,207
Drug Free Communities Support Program	93.276	-	-	34,059	-	34,059
Drug Abuse Research Programs: Pass-Through Louisiana State University	93.279	-	-	248,279	-	248,279
Mental Health National Research Service Awards for Research Training	93.282	-	-	179,100	-	179,100
Center for Disease Control and Prevention: Investigations and Technical Assistance	93.283	-	-	9,908,334	-	9,908,334
Pass-Through Johns Hopkins University	93.283	-	-	66,304	-	66,304
Technological Innovations to Improve Human Health	93.286	305	-	-	-	305
Strengthening Public Health Infrastruct. Improvement	93.292	-	-	158,047	-	158,047
Community Mental Health Centers - Comprehensive Support	93.295	13,265	-	-	-	13,265
Minority Health State Partnership Grant	93.296	-	-	170,860	-	170,860
Small Rural Hospital Improvement Grants	93.301	-	-	18,334	-	18,334

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)						
Minority Health and Health Disparities Research	93.307	\$ 993,359	\$ -	\$ -		\$ 993,359
Contract / Other National Institute of Health	93.3245033	-	-	2,349		2,349
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	-	11,268,851	-		11,268,851
Advanced Education Nursing Traineeships	93.358	-	-	98,768		98,768
Nursing Student Loans	93.364	-	1,249,874	-		1,249,874
Pass-Through American College of Radiology	93.395	-	-	39,286		39,286
Cancer Control - ARRA	93.399	7,953	-	-		7,953
State Primary Care Offices - ARRA	93.414	-	-	64,710		64,710
Food Safety and Security Monitoring Project	93.448	-	-	227,585		227,585
School-Based Health Centers Capital Program	93.501	-	-	21,403		21,403
Maternal, Infant, and Early Childhood Home Visiting Program	93.505	-	-	2,135,792		2,135,792
National Background Check	93.506	-	-	56,767		56,767
Strengthening Public Health Infrastructure Improvement	93.507	-	-	228,868		228,868
Affordable Care Act	93.511	-	-	1,052,161		1,052,161
Affordable Care Act - Aging and Disability Resource Center	93.517	-	-	385,735		385,735
Affordable Health Care	93.519	-	-	327,503		327,503
Affordable Care Act - Building Epidemiology Laboratory	93.521	-	-	1,918,251		1,918,251
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	93.525	-	-	73,846,974		73,846,974
Pass-Through Seedco	93.525	-	-	212,882		212,882
Healthiest MD Building Support Community Change	93.531	-	-	1,884,203		1,884,203
MD Emergency Psychiatric Demonstration	93.537	-	-	4,916,736		4,916,736
Environmental Public Health Tracking	93.538	-	-	667,641		667,641
Immunization Grant Prevention and Public Health	93.539	-	-	460,289		460,289
Coordinated Chronic Disease Prevention	93.544	-	-	73,219		73,219
Promoting Safe and Stable Families	93.556	-	-	3,474,182		3,474,182
Pass-through Baltimore City Department of Social Services	93.556	-	-	326,482		326,482
Temporary Assistance for Needy Families (TANF)	93.558	-	-	220,862,915		220,862,915
Child Support Enforcement (CSE)	93.563	-	-	87,475,528		87,475,528
Refugee and Entrant Assistance - State Administered Programs	93.566	-	-	11,222,808		11,222,808
Refugee and Entrant Assistance Voluntary Agency Programs	93.567	-	-	394,565		394,565
Low-Income Home Energy Assistance (LIHEAP)	93.568	-	-	74,940,666		74,940,666
Community Services Block Grant (CSBG)	93.569	-	-	10,482,713		10,482,713
Child Care and Development Fund Cluster						
Child Care and Development Block Grant	93.575	-	-	27,619,912		27,619,912
Pass-through Maryland Family Network	93.575	-	-	128,559		128,559
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	-	-	49,043,232		49,043,232
Total Child Care and Development Fund Cluster					\$ 76,791,703	
Refugee and Entrant Assistance - Discretionary Grants	93.576	-	-	384,104		384,104
Refugee and Entrant Assistance - Targeted Assistance	93.584	-	-	717,456		717,456
State Court Improvement Program	93.586	-	-	406,508		406,508
Grants to States for Access and Visitation Programs	93.597	-	-	140,467		140,467
Education and Training Vouchers	93.599	-	-	512,572		512,572

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)						
Head Start	93.600	\$ -	\$ -	\$ 1,628,290		\$ 1,628,290
Pass Through - Maryland Family Network	93.600	-	-	276,372		276,372
Voting access for Individual with Disabilities	93.617	-	-	186,771		186,771
State Innovation Models	93.624	-	-	1,445,095		1,445,095
Development Disabilities Basic Support and Advocacy Grants	93.630	-	-	1,053,679		1,053,679
Children's Justice Grants to States	93.643	-	-	327,336		327,336
Child Welfare Services: State Grants	93.645	-	-	3,752,750		3,752,750
Pass-Through Child Trends	93.647	-	-	1,769		1,769
Child Welfare Research	93.648	10,000	-	-		10,000
Pass-Through Division for Research University at Albany, State University of New York	93.648	-	-	160,574		160,574
Foster Care: Title IV-E	93.658	-	-	49,151,737		49,151,737
Adoption Assistance	93.659	-	-	24,297,944		24,297,944
Social Services Block Grant (SSBG)	93.667	-	-	52,421,685		52,421,685
Child Abuse and Neglect State Grants	93.669	-	-	937,176		937,176
Child Abuse and Neglect Discretionary Activities	93.670	-	-	223,970		223,970
Family Violence Prevention and Services/Grants for Battered Women's Shelters:						
States & Indian Tribes	93.671	-	-	1,454,831		1,454,831
Chafee Foster Care Independent Living	93.674	-	-	3,623,495		3,623,495
Animal Model of Dual Diagnosis	93.701	-	-	6,172		6,172
Trans-NIH Recovery Act Research Support - ARRA	93.701	-	-	1,500,307		1,500,307
Trans-NIH Recovery Act Research Support - ARRA	93.701	504,646	-	-		504,646
Pass-Through Johns Hopkins University - ARRA	93.701	591	-	-		591
Pass-Through University of Iowa - ARRA	93.701	37,665	-	-		37,665
Head Start - ARRA	93.708	-	-	309,865		309,865
State Health Information Exchange - ARRA	93.719	-	-	1,532,294		1,532,294
Chronic Disease Self-Management Program - ARRA	93.725	-	-	12,659		12,659
Pass-Through University of Texas-Houston - ARRA	93.728	143,167	-	-		143,167
Chronic Disease Self-Management Education	93.734	-	-	215,469		215,469
Public Health Approaches for Ensuring Quitline Capacity	93.735	-	-	255,375		255,375
Breast and Cervical Cancer Screening	93.744	-	-	62,577		62,577
Behavioral Risk Factor Surveillance System	93.745	-	-	149,833		149,833
State Children's Insurance Program (CHIP)	93.767	-	-	235,733,790		235,733,790
Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	93.768	-	-	156,217		156,217
Medicaid Cluster						
State Medicaid Fraud Control Units	93.775	-	-	2,492,754		2,492,754
State Survey and Certification of Health Care Providers and Suppliers	93.777	-	-	4,688,386		4,688,386
Medical Assistance Program (Medicaid)	93.778	-	-	4,847,072,448		4,847,072,448
Pass-Through New Mexico Human Services Department	93.778	-	-	69,586		69,586
Total Medicaid Cluster					\$ 4,854,323,174	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	93.779	-	-	1,318,173		1,318,173
Operations Grant High Risk Health Pools	93.780	-	-	1,683,359		1,683,359

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STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</u>						
Alternatives to Psychiatric Residential Treatment Facilities for Children	93.789	\$ -	\$ -	\$ 8,874,401	\$	8,874,401
Money Follows the Person	93.791	-	-	11,802,680		11,802,680
Cardiovascular Diseases Research	93.837	-	-	108,882		108,882
Cardiovascular Diseases Research - ARRA	93.837	-	-	108,444		108,444
Blood Diseases and Resources Research	93.839	-	-	562,403		562,403
Pass-Through New York University Medical Center	93.846	-	-	87,660		87,660
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	-	216,443		216,443
Pass-Through Altarum Institute-Palladian Partners	93.853	-	-	31,872		31,872
Allergy, Immunology, & Transplantation Research	93.855	-	-	528,555		528,555
Pass-Through University of Pittsburgh	93.855	-	-	3,491		3,491
Biomedical Research	93.859	-	-	1,694,509		1,694,509
Marc U Star/RISE	93.859	862,147	-	-		862,147
Center for Research for Mothers and Children	93.865	-	-	297,876		297,876
Child Health and Human Development Extramural Research	93.865	284,711	-	-		284,711
Aging Research	93.866	209,693	-	-		209,693
Aging Research - ARRA	93.866	440,278	-	-		440,278
Vision Research	93.867	-	-	57,276		57,276
Health Care and Other Facilities	93.887	-	-	97		97
National Bioterrorism Hospital Preparedness	93.889	-	-	6,321,814		6,321,814
Rural Health Outreach – Rural Network Development Program	93.912	-	-	22,000		22,000
Grants to States for Operation of Offices of Rural Health	93.913	-	-	230,704		230,704
Pass-Through Associated Black Charities	93.914	-	-	3,517,720		3,517,720
Pass-Through PG County Health Department	93.914	-	-	207,983		207,983
HIV Care Formula Grants	93.917	-	-	33,564,333		33,564,333
Pass-Through Delaware HIV Consortium	93.917	-	-	9,549		9,549
Public Health Service Act - AIDS	93.938	-	-	273,686		273,686
HIV Prevention Activities: Health Department Based	93.940	-	-	6,365,712		6,365,712
Pass-Through Baltimore City Health Department	93.940	-	-	178,279		178,279
HIV Demonstration, Research, Public/Professional Education Projects	93.941	1,611	-	-		1,611
HIV/AIDS Surveillance	93.944	-	-	2,007,497		2,007,497
Healthiest MD Sustain/Enhancing Health	93.945	-	-	1,377,258		1,377,258
Pregnancy Risk Assessment	93.946	-	-	123,921		123,921
Block Grants for Community Mental Health Services	93.958	-	-	7,265,705		7,265,705
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	-	28,744,163		28,744,163
Pass-Through Allegany County Health Department	93.959	-	-	77,846		77,846
Preventive Health Services: Sexually Transmitted Diseases Control Grants	93.977	-	-	1,171,782		1,171,782
Pass-Through University of Nairobi	93.989	-	-	306,876		306,876
Pass-Through University of Zambia	93.989	-	-	64,727		64,727
National Health Promotion	93.990	-	-	21,228		21,228
Preventive Health & Health Services Block Grant	93.991	-	-	1,601,856		1,601,856
Maternal and Child Health Services Block Grant to the States	93.994	-	-	10,520,339		10,520,339
Pass-Through Countervail Corporation	93.HHS0100201100030C	2,346,127	-	-		2,346,127
Pass-Through Johns Hopkins University	93.HHSA2902010000091	404,191	-	-		404,191
Contract / Other Food and Drug Administration	93.HHSF22301211330P	57,128	-	-		57,128

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STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)						
Contract / Other Food and Drug Administration	93.HHSF223201310109C	\$ 161,288	\$ -	\$ -	\$ -	\$ 161,288
Pass-Through Econometrica, Inc	93.HHSM500201100035G	-	-	12,604	-	12,604
Pass-Through SAIC-Frederick, Inc - ARRA	93.HHSN261200800001E	63,110	-	-	-	63,110
Contract / Other National Institute of Health	93.HHSN261201000117C	1,344,512	-	-	-	1,344,512
Pass-Through University of Chicago	93.HHSN261201100071C	-	-	2,913	-	2,913
Pass-Through Radiological Society of North America - ARRA	93.HHSN268200900060C-5B	177,138	-	-	-	177,138
Contract / Other National Institute of Health	93.HHSN268201000004P	20,779	-	-	-	20,779
Pass-Through Jarvik Heart, Inc.	93.HHSN268201000013C	238,318	-	-	-	238,318
Contract / Other National Institute of Health	93.HHSN268201000014C	653,198	-	-	-	653,198
Contract / Other National Institute of Health	93.HHSN268201000035C	959,263	-	-	-	959,263
Pass-Through Radiological Society of North America	93.HHSN268201200078C	206,846	-	-	-	206,846
Pass-Through Research Foundation for Mental Health Hygiene - ARRA	93.HHSN-271200900020C	141,140	-	-	-	141,140
Contract / Other National Institute of Health	93.HHSN271201200506P	10,846	-	-	-	10,846
Contract / Other National Institute of Health	93.HHSN271201200655P	16,821	-	-	-	16,821
Contract / Other National Institute of Health	93.HHSN2712013000016	-	-	4,713	-	4,713
Contract / Other National Institute of Health	93.HHSN271201300539P	18,446	-	-	-	18,446
Contract / Other National Institute of Health	93.HHSN271201300717P	-	-	69,343	-	69,343
Pass-Through Limaging, LLC	93.HHSN27201000012C	6,062	-	-	-	6,062
Contract / Other National Institute of Health	93.HHSN272200800057C	2,682,848	-	-	-	2,682,848
Contract / Other National Institute of Health	93.HHSN272200900009C	4,651,918	-	-	-	4,651,918
Contract / Other National Institute of Health	93.HHSN272201000046C	14,275,719	-	-	-	14,275,719
Contract / Other National Institute of Health	93.HHSN2722013000221	125,625	-	-	-	125,625
Contract / Other National Institute of Health	93.HHSN275200900011C	1,736,922	-	-	-	1,736,922
Pass-Through Duke University	93.HHSN-275201000003I	12,743	-	-	-	12,743
Pass-Through Westat Corporation	93.HHSN275201300003C	105,153	-	-	-	105,153
Contract / Other National Institute of Health	93.HHSN-276-2011-0004C	-	-	1,755,915	-	1,755,915
Contract / Other National Institute of Health	93.HHSN276201300573P	351,990	-	-	-	351,990
Contract / Other Agency for Health Care Research and Quality	93.IPA	-	-	26,357	-	26,357
Contract / Other Center for Disease Control	93.IPA	-	-	43,336	-	43,336
Contract / Other Food and Drug Administration	93.IPA	-	-	116,330	-	116,330
Contract / Other National Institute of Health	93.IPA	-	-	477,048	-	477,048
Contract / Other National Institute of Health	93.IPA No. 1413385	-	-	60,172	-	60,172
Contract / Other National Institute of Health	93.IPA No. 1461708	-	-	46,675	-	46,675
Pass-Through University of California, San Francisco	93.N01-A1-15416	78,511	-	-	-	78,511
Pass-Through SAIC-Frederick, Inc	93.N01-AI-05421	12,522	-	-	-	12,522
Contract / Other National Institute of Health	93.N01-AR-2-2259	48,442	-	-	-	48,442
Administration for Children and Families	93.RD	2,249,292	-	-	-	2,249,292
Agency for Healthcare Research and Quality	93.RD	1,755,773	-	-	-	1,755,773
Center for Disease Control and Prevention	93.RD	596,229	-	-	-	596,229
Food and Drug Administration	93.RD	3,728,227	-	-	-	3,728,227
Health Resources and Services Administration	93.RD	1,959,717	-	-	-	1,959,717
National Institutes of Health	93.RD	189,031,929	-	-	-	189,031,929
Office of the Secretary	93.RD	93,352	-	-	-	93,352

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)						
Other Research and Development	93.RD	\$ 12,500	\$ -	\$ -		\$ 12,500
Pass-Through Buck Institute for Age Research	93.RD	33,984	-	-		33,984
Pass-Through Schaefer Center	93.RD	95,036	-	-		95,036
Pass-Through Research Foundation for Mental Health Hygiene	93.RD	1,750	-	-		1,750
Pass-Through University of Chicago	93.RD	118,375	-	-		118,375
Pass-Through University of Washington	93.RD	59,416	-	-		59,416
Pass-Through University of Wisconsin	93.RD	95,399	-	-		95,399
Pass-Through Action for Child Protection, Inc	93.RD	172,113	-	-		172,113
Pass-Through Advanced Circulatory System, Inc	93.RD	4,554	-	-		4,554
Pass-Through Aeolus Pharmaceuticals, Inc	93.RD	3,707,133	-	-		3,707,133
Pass-Through AllTranz Inc.	93.RD	172,601	-	-		172,601
Pass-Through American College of Radiology	93.RD	81,712	-	-		81,712
Pass-Through Baltimore City, Department of Social Services	93.RD	178,626	-	-		178,626
Pass-Through Baylor College of Medicine	93.RD	45,443	-	-		45,443
Pass-Through Baylor Research Institute	93.RD	259,368	-	-		259,368
Pass-Through Beckman Research Institute of City of Hope	93.RD	29,326	-	-		29,326
Pass-Through Beth Israel Deaconess Medical Center	93.RD	4,826	-	-		4,826
Pass-Through Boston Biomedical Research Institute	93.RD	23,750	-	-		23,750
Pass-Through Boston University	93.RD	331,023	-	-		331,023
Pass-Through Brigham and Women's Hospital	93.RD	170,282	-	-		170,282
Pass-Through California Pacific Medical Center Research Institute	93.RD	36,987	-	-		36,987
Pass-Through Carnegie Mellon University	93.RD	188,382	-	-		188,382
Pass-Through Case Western University	93.RD	96,903	-	-		96,903
Pass-Through Chestnut Health Systems	93.RD	63,990	-	-		63,990
Pass-Through Child Trends	93.RD	7,450	-	-		7,450
Pass-Through Children & Families First	93.RD	55,763	-	-		55,763
Pass-Through Children's Hospital Boston	93.RD	68,503	-	-		68,503
Pass-Through Children's Hospital of Philadelphia	93.RD	7,561	-	-		7,561
Pass-Through Children's National Medical Center	93.RD	279,736	-	-		279,736
Pass-Through Children's Research Institute	93.RD	152,618	-	-		152,618
Pass-Through Cincinnati Children's Hospital Medical Center	93.RD	16,081	-	-		16,081
Pass-Through Colorado School of Mines	93.RD	10,277	-	-		10,277
Pass-Through Columbia University	93.RD	5,909	-	-		5,909
Pass-Through Communication Disorders Technology, Inc	93.RD	37,086	-	-		37,086
Pass-Through Community Connections	93.RD	6,427	-	-		6,427
Pass-Through Countervail Corporation	93.RD	230,883	-	-		230,883
Pass-Through Dartmouth College	93.RD	24,998	-	-		24,998
Pass-Through Dartmouth College	93.RD	160,862	-	-		160,862
Pass-Through Delmarva Foundation for Medical Care, Inc.	93.RD	87,168	-	-		87,168
Pass-Through Discovery BioMed, Inc	93.RD	10,557	-	-		10,557
Pass-Through Division for Research University at Albany, State University of New York	93.RD	125,968	-	-		125,968

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</u>						
Pass-Through Duke University	93.RD	\$ 253,164	\$ -	\$ -	\$ -	\$ 253,164
Pass-Through Duke University Medical Center	93.RD	174,018	-	-	-	174,018
Pass-Through Emory University	93.RD	88,087	-	-	-	88,087
Pass-Through Emory University Hospital	93.RD	3,599	-	-	-	3,599
Pass-Through Fluorometrix Corporation	93.RD	188,396	-	-	-	188,396
Pass-Through Geisinger Clinic	93.RD	74,709	-	-	-	74,709
Pass-Through Geneva Foundation	93.RD	287,532	-	-	-	287,532
Pass-Through George Washington University	93.RD	606,102	-	-	-	606,102
Pass-Through Georgetown University	93.RD	541,534	-	-	-	541,534
Pass-Through Georgia Health Sciences University	93.RD	248,239	-	-	-	248,239
Pass-Through Georgia State University	93.RD	20,770	-	-	-	20,770
Pass-Through Gliknik, Inc.	93.RD	65,117	-	-	-	65,117
Pass-Through GPB Scientific LLC	93.RD	83,495	-	-	-	83,495
Pass-Through Harvard University	93.RD	30,005	-	-	-	30,005
Pass-Through Health Research, Inc	93.RD	16,595	-	-	-	16,595
Pass-Through Healthcare Management Solutions, LLC	93.RD	18,354	-	-	-	18,354
Pass-Through Henry Ford Hospital	93.RD	5,303	-	-	-	5,303
Pass-Through Henry M Jackson Foundation	93.RD	104,778	-	-	-	104,778
Pass-Through Howard University	93.RD	185,181	-	-	-	185,181
Pass-Through Hugo W Moser Research at Kennedy Krieger, Inc.	93.RD	70,442	-	-	-	70,442
Pass-Through Humanetics Corporation	93.RD	223,559	-	-	-	223,559
Pass-Through Johns Hopkins University	93.RD	3,767,545	-	-	-	3,767,545
Pass-Through Kennedy Krieger Institute	93.RD	8,756	-	-	-	8,756
Pass-Through Kent State University	93.RD	114,214	-	-	-	114,214
Pass-Through Leidos Bio Medical Research	93.RD	13,317	-	-	-	13,317
Pass-Through LeukoSight, Inc	93.RD	80,253	-	-	-	80,253
Pass-Through Louisiana State University	93.RD	22,595	-	-	-	22,595
Pass-Through Massachusetts General Hospital	93.RD	589,032	-	-	-	589,032
Pass-Through Mayo Clinic Jacksonville	93.RD	77,535	-	-	-	77,535
Pass-Through Mayor and City Council of Baltimore City, Department of Housing and Community Development	93.RD	23,940	-	-	-	23,940
Pass-Through Medical, Science, & Computing, LLC	93.RD	164,609	-	-	-	164,609
Pass-Through Medigen Inc	93.RD	120,151	-	-	-	120,151
Pass-Through Michigan State University	93.RD	60,634	-	-	-	60,634
Pass-Through Minneapolis Medical Research Foundation	93.RD	43,699	-	-	-	43,699
Pass-Through Morehouse University	93.RD	57,821	-	-	-	57,821
Pass-Through Mount Sinai School of Medicine	93.RD	393,479	-	-	-	393,479
Pass-Through National Capital Consortium for Pediatric Device Innovation	93.RD	231	-	-	-	231
Pass-Through National Institute for Pharmaceutical Technology and Education	93.RD	17,432	-	-	-	17,432
Pass-Through National Opinion Research Center	93.RD	76,291	-	-	-	76,291
Pass-Through New England Research Institute	93.RD	6,162	-	-	-	6,162

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</u>						
Pass-Through New York Blood Center, Inc	93.RD	\$ 117,779	\$ -	\$ -	\$ -	\$ 117,779
Pass-Through New York University	93.RD	6,025	-	-	-	6,025
Pass-Through New York University Medical School	93.RD	85,233	-	-	-	85,233
Pass-Through Ohio State University	93.RD	49,844	-	-	-	49,844
Pass-Through Pennsylvania State University	93.RD	281,840	-	-	-	281,840
Pass-Through Planet Biotechnology, Inc.	93.RD	12,613	-	-	-	12,613
Pass-Through Radiant Creative Group, LLC	93.RD	26,246	-	-	-	26,246
Pass-Through Rand Corporation	93.RD	92,488	-	-	-	92,488
Pass-Through Research Foundation of State University of New York, Buffalo	93.RD	2,383	-	-	-	2,383
Pass-Through Rice University	93.RD	13,859	-	-	-	13,859
Pass-Through Robin Medical, Inc	93.RD	130,564	-	-	-	130,564
Pass-Through Rutgers, the State University of New Jersey	93.RD	6,594	-	-	-	6,594
Pass-Through Sanaria Incorporated	93.RD	106,565	-	-	-	106,565
Pass-Through Seattle Children's Research Institute	93.RD	27,391	-	-	-	27,391
Pass-Through Sheppard Pratt Health System	93.RD	22,925	-	-	-	22,925
Pass-Through Sigmovir Biosystems, Inc	93.RD	124,468	-	-	-	124,468
Pass-Through SRI International	93.RD	67,660	-	-	-	67,660
Pass-Through Strategic Community Services	93.RD	28,473	-	-	-	28,473
Pass-Through Teens Have Choices	93.RD	3,508	-	-	-	3,508
Pass-Through Temple University	93.RD	17,421	-	-	-	17,421
Pass-Through Texas A&M University	93.RD	19,554	-	-	-	19,554
Pass-Through The J. David Gladstone Institutes	93.RD	12,532	-	-	-	12,532
Pass-Through The Mind Research Network	93.RD	86,716	-	-	-	86,716
Pass-Through The Ohio State University Research Foundation	93.RD	316,228	-	-	-	316,228
Pass-Through The Research Foundation of State University of New York (SUNY)	93.RD	147,907	-	-	-	147,907
Pass-Through Tufts University	93.RD	60,744	-	-	-	60,744
Pass-Through Tulane University School of Public Health and Tropical Medicine	93.RD	22,965	-	-	-	22,965
Pass-Through University Nottingham	93.RD	190,328	-	-	-	190,328
Pass-Through University of Alabama at Birmingham	93.RD	92,323	-	-	-	92,323
Pass-Through University of Arizona	93.RD	23,058	-	-	-	23,058
Pass-Through University of California	93.RD	217,760	-	-	-	217,760
Pass-Through University of California, Irvine	93.RD	5,624	-	-	-	5,624
Pass-Through University of California, San Francisco	93.RD	107,771	-	-	-	107,771
Pass-Through University of Cincinnati	93.RD	160,040	-	-	-	160,040
Pass-Through University of Colorado	93.RD	108,039	-	-	-	108,039
Pass-Through University of Delaware	93.RD	12,214	-	-	-	12,214
Pass-Through University of Florida	93.RD	897,806	-	-	-	897,806
Pass-Through University of Houston	93.RD	64,586	-	-	-	64,586
Pass-Through University of Iowa	93.RD	155,979	-	-	-	155,979
Pass-Through University of Kansas Center for Research	93.RD	7,511	-	-	-	7,511
Pass-Through University of Kentucky	93.RD	17,475	-	-	-	17,475
Pass-Through University of Medicine and Dentistry of New Jersey	93.RD	13,780	-	-	-	13,780
Pass-Through University of Miami	93.RD	34,207	-	-	-	34,207
Pass-Through University of Michigan	93.RD	568,413	-	-	-	568,413

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</u>						
Pass-Through University of Michigan Medical School	93.RD	\$ 23,058	\$ -	\$ -	\$ -	\$ 23,058
Pass-Through University of Michigan, Ann Arbor	93.RD	23,900	-	-	-	23,900
Pass-Through University of Minnesota	93.RD	265,620	-	-	-	265,620
Pass-Through University of Missouri-St Louis	93.RD	54,571	-	-	-	54,571
Pass-Through University of Nebraska Medical Center	93.RD	9,508	-	-	-	9,508
Pass-Through University of New Mexico	93.RD	28,158	-	-	-	28,158
Pass-Through University of North Carolina at Chapel Hill	93.RD	718,860	-	-	-	718,860
Pass-Through University of North Texas Health Sciences	93.RD	36,584	-	-	-	36,584
Pass-Through University of Pennsylvania	93.RD	389,559	-	-	-	389,559
Pass-Through University of Pittsburgh	93.RD	918,441	-	-	-	918,441
Pass-Through University of Rochester Medical Center	93.RD	21,651	-	-	-	21,651
Pass-Through University of South Carolina	93.RD	53,954	-	-	-	53,954
Pass-Through University of Southern California	93.RD	30,838	-	-	-	30,838
Pass-Through University of Texas at Austin	93.RD	14,648	-	-	-	14,648
Pass-Through University of Texas Health Science Center at San Antonio	93.RD	648,477	-	-	-	648,477
Pass-Through University of Texas-Houston	93.RD	30,245	-	-	-	30,245
Pass-Through University of Texas Southwestern Medical Center	93.RD	35,408	-	-	-	35,408
Pass-Through University of Utah	93.RD	19,801	-	-	-	19,801
Pass-Through University of Virginia	93.RD	881,896	-	-	-	881,896
Pass-Through University of Wisconsin Madison	93.RD	80	-	-	-	80
Pass-Through Vanderbilt University	93.RD	760,367	-	-	-	760,367
Pass-Through Virginia Commonwealth University	93.RD	49,068	-	-	-	49,068
Pass-Through Virginia Polytechnic and State University	93.RD	145,319	-	-	-	145,319
Pass-Through Wake Forest University	93.RD	58,450	-	-	-	58,450
Pass-Through Washington University	93.RD	107,466	-	-	-	107,466
Pass-Through Wayne State University	93.RD	188,938	-	-	-	188,938
Pass-Through West Virginia University Research Corporation	93.RD	3,875	-	-	-	3,875
Pass-Through Westat Incorporated	93.RD	217,026	-	-	-	217,026
Pass-Through Yale New University	93.RD	25,441	-	-	-	25,441
Substance Abuse and Mental Health Services Administration	93.RD	1,070,227	-	-	-	1,070,227
Pass-Through University of Texas Health Science Center	93.RN0052-2011-002	66,684	-	-	-	66,684
Contract / Other Health Resources and Services Administration	93.Unknown	-	-	202	-	202
Contract / Other Office of the Secretary	93.Unknown	-	-	114,304	-	114,304
Contract / Other Substance Abuse and Mental Health Services Administration	93.Unknown	-	-	1,765,707	-	1,765,707
Total Department of Health and Human Services		262,099,321	12,624,611	6,050,927,071		6,325,651,003
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS)</u>						
State Commissions	94.003	-	-	296,753	-	296,753
AmeriCorps	94.006	-	-	3,050,886	-	3,050,886
Pass-Through Public Allies, Inc	94.006	-	-	332,585	-	332,585
Planning and Program Development Grants	94.007	-	-	259	-	259

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS) (continued)</u>						
Foster Grandparents	94.011	\$ -	\$ -	\$ 303,498		\$ 303,498
Volunteer Generation Fund	94.021	-	-	131,753		131,753
Corporation for National and Community Service	94.RD	1,632,336	-	-		1,632,336
Total Corporation for National and Community Service		1,632,336	-	4,115,734		5,748,070
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	-	-	9,000,771		9,000,771
Executive Office of the President	95.RD	335,023	-	-		335,023
Total Executive Office of the President		335,023	-	9,000,771		9,335,794
<u>SOCIAL SECURITY ADMINISTRATION (SSA)</u>						
<u>Disability Insurance/SSI Cluster</u>						
Social Security: Disability Insurance	96.001	-	-	35,035,093		35,035,093
Supplemental Security Income (SSI)	96.006	-	-	1,941,950		1,941,950
Total Disability Insurance/SSI Cluster					\$ 36,977,043	
Other Research and Development	96.RD	32,584	-	-		32,584
Total Social Security Administration		32,584	-	36,977,043		37,009,627
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
NRC - Safeguards Information	97.005	-	-	1,750		1,750
Pass-Through Georgia World Congress Center	97.005	-	-	6,000		6,000
State and Local Homeland Security National Training Program	97.005	-	-	23,775		23,775
Urban Areas Security Initiative	97.008	-	-	10,669,668		10,669,668
Citizenship Education and Training	97.010	-	-	85,419		85,419
Boating Safety Financial Assistance	97.012	-	-	2,695,360		2,695,360
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	-	-	121,499		121,499
Public Assistance Grants	97.036	-	-	7,905,832		7,905,832
Hazard Mitigation Grant (HMGP)	97.039	-	-	6,456,323		6,456,323
National Dam Safety Program	97.041	-	-	303,881		303,881
Emergency Management Performance Grants	97.042	-	-	7,501,573		7,501,573
State Fire Training Systems Grant	97.043	-	-	24,000		24,000
Emergency Management - Cooperating Technical Partners	97.045	-	-	463,420		463,420
Pre-Disaster Mitigation	97.047	-	-	141,793		141,793
Presidential Declared Disaster Assistance to Individuals and Households	97.050	-	-	86,110		86,110
Citizen Corps	97.053	-	-	82,930		82,930
Port Security Grant Program for Critical National Seaports	97.056	-	-	518,208		518,208
Centers for Homeland Security	97.061	-	-	27,143		27,143
Scientific Leadership Awards	97.062	-	-	422,653		422,653
Homeland Security Grant Program	97.067	-	-	17,521,587		17,521,587
Pass-Through District of Columbia Government	97.067	-	-	633,142		633,142
Pass-Through J. Craig Venter Institute	97.067	-	-	13,941		13,941
Metropolitan Medical Response Program	97.071	-	-	235,830		235,830
K-9 Grant	97.072	-	-	589,424		589,424

The accompanying notes are an integral part of this schedule.

STATE OF MARYLAND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Department/Program Title/Pass-Through Agency	CFDA Number	Research & Development	Student Financial Assistance	Other	Cluster Total	Total
<u>DEPARTMENT OF HOMELAND SECURITY (continued)</u>						
Homeland Security - MDOT Grant	97.075	\$ -	\$ -	\$ 13,471,022		\$ 13,471,022
Buffer Zone Protection Program	97.078	-	-	1,423,746		1,423,746
Real ID FY 2008	97.089	-	-	71,485		71,485
Law Enforcement Officer Reimb.	97.090	-	-	292,000		292,000
Biowatch Laboratory Support	97.091	-	-	274		274
Homeland Security - Related Science, Technology, Engineering, and Mathematics (HS Stem) Career Development Program	97.104	-	-	141,595		141,595
Department of Homeland Security	97.RD	7,604,644	-	-		7,604,644
Pass-Through Aurora Flight Sciences Corporation	97.RD	28,205	-	-		28,205
Pass-Through Cyber Innovation Center	97.RD	132,352	-	-		132,352
Pass-Through District of Columbia Office of Homeland Security and Emergency	97.RD	1,543,315	-	-		1,543,315
Pass-Through National Integrated Cyber Education Research Center (NICERC)	97.RD	5,912	-	-		5,912
Pass-Through NSF International	97.RD	15,447	-	-		15,447
Pass-Through Worcester Polytechnic Institute	97.RD	25,317	-	-		25,317
Contract / Other	97.Unknown	-	-	66,805		66,805
Statewide Catalog Number - Miscellaneous	97.Unknown	-	-	393,758		393,758
Total Department of Homeland Security		<u>9,355,192</u>	<u>-</u>	<u>72,391,946</u>		<u>81,747,138</u>
<u>UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)</u>						
USAID Development Partnerships for University Cooperation and Development	98.012	-	-	66,293		66,293
Pass-Through African Medical and Research Foundation	98.AID 623A1200015	-	-	848,006		848,006
Contract / Other	98.IPA	-	-	283		283
Pass-Through African Wildlife Foundation	98.RD	69,449	-	-		69,449
Research & Development	98.RD	84,754	-	-		84,754
Pass-Through Partnership for Supply Chain Management System	98.SCMSRTK1	-	-	107,019		107,019
Contract / Other	98.Unknown	-	-	94,360		94,360
Total United States Agency for International Development		<u>154,203</u>	<u>-</u>	<u>1,115,961</u>		<u>1,270,164</u>
<u>OTHER</u>						
Vietnam Educational Foundation	99.Unknown	-	-	8,000		8,000
Total Other		<u>-</u>	<u>-</u>	<u>8,000</u>		<u>8,000</u>
TOTAL		<u>\$ 620,498,190</u>	<u>\$ 1,141,503,085</u>	<u>\$ 10,937,938,613</u>		<u>\$ 12,699,939,888</u>

The accompanying notes are an integral part of this schedule.

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STATE OF MARYLAND

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

1. SINGLE AUDIT REPORTING ENTITY

The State of Maryland (State) includes expenditures in its Schedule of Expenditures of Federal Awards (SEFA) for all Federal programs administered by the funds, agencies, boards and commissions, including component units, included in the State's reporting entity used for its basic financial statements, including the component unit higher education funds—the University System of Maryland, the Baltimore City Community College, Morgan State University, and St. Mary's College of Maryland. However, the Schedule of Expenditures of Federal Awards excludes the Maryland Water Quality Financing Administration, 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. Separate single audits are conducted for these entities.

2. BASIS OF ACCOUNTING

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

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

The non-cash expenditures of approximately \$18,964,000, 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, 2013. These food commodities were received by the Maryland Department of Education from the U.S. Department of Agriculture for the year ended June 30, 2014.

The non-cash expenditures of approximately \$6,663,000 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, 2013. 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, 2014.

Expenditures of approximately \$1,151,553,000 reported under CFDA No. 10.551, Supplemental Nutrition Assistance Program (SNAP), represent the fair market value of food stamps distributed for participants' food-stamp purchases during the year ended June 30, 2014.

STATE OF MARYLAND

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

2. BASIS OF ACCOUNTING (continued)

The non-cash expenditures of approximately \$94,000 for CFDA No. 39.003, Donation of Federal Surplus Property Program, represents the average fair market value percentage, per the General Services Administration (GSA) of 25 percent of the Federal government original acquisition cost (OAC) of the Federal property transferred to recipients by the State during the year ended June 30, 2014.

3. CATEGORIZATION OF EXPENDITURES

The accompanying Schedule of Expenditures of Federal Awards reflects Federal expenditures for all individual grants that were active during the year. The categorization of expenditures by program included in the accompanying Schedule of Expenditures of Federal Awards is based on the Catalog of Federal Domestic Assistance (CFDA). Changes in the categorization of expenditures occur based on revisions to the CFDA, which are issued in June and December of each year. In accordance with the State's policy, the accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2014, reflects CFDA changes issued through June 2014.

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, 2014, was \$0 for CFDA No. 10.550, Food Donation Program and approximately \$1,190,000 for CFDA No. 10.569, Emergency Food Assistance Program (Food Commodities), and they are not considered current year Federal expenditures. The surplus food was valued using the U.S. Department of Agriculture, Food and Nutrition Service Commodity Price List in effect as of July 1, 2013.

When surplus property is transferred to recipients, it is valued at 25 percent of its OAC, which represents an estimated fair market value of the property transferred. There was no donated Federal surplus property on hand as of June 30, 2014, for CFDA No. 39.003, Donation of Federal Surplus 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, 2014. Because those issues have been previously reported to the affected Federal agencies, the issues identified in other audit reports have not been repeated in the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2014.

STATE OF MARYLAND

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

5. OTHER AUDIT FINDINGS (continued)

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	\$ 783,480,895
Federal UC benefits	194,123,240
Federal UC administrative costs	83,229,343
Total Benefits	<u>\$ 1,060,833,478</u>

7. FEDERAL MORTGAGE PLANS

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

8. LOAN PROGRAMS

St. Mary's College of Maryland

St. Mary's College of Maryland (the College) administers the Federal Perkins Loan Program: Federal Capital Contributions (CFDA No. 84.038) (the Program). The College received no Federal funds under the Program for the year ended June 30, 2014. The new loans made in the year ended June 30, 2014, relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The Schedule of Expenditures of Federal Awards includes \$58,000 for loans issued during the year ended June 30, 2014.

STATE OF MARYLAND

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

8. LOAN PROGRAMS (continued)

During the year ended June 30, 2014, the College processed the following amount of new loans under the Federal Family Education Loan Program (CFDA No. 84.032), which includes the Stafford Loan and PLUS Loan. Since this program is administered by outside financial institutions, new loans made during the year ended June 30, 2014, relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The new loans made during the year ended June 30, 2014, are reported in the Schedule of Expenditures of Federal Awards.

<u>CFDA Number</u>	<u>Program Name</u>	<u>Loan Expenditures For the Year Ended June 30, 2014</u>
84.032	Stafford Loan Program	\$ 5,385,281
84.032	PLUS Loans	4,571,736
Total		<u>\$ 9,957,017</u>

Baltimore City Community College

Baltimore City Community College (the College) administers the Federal Perkins Loan Program: Federal Capital Contributions (CFDA No. 84.038) and Nursing Student Loans (CFDA No. 93.364). The outstanding loan balances as of June 30, 2014, were \$0 for both. There were no new loans made in the year ended June 30, 2014. The College completed a Federal Perkins Loan Liquidation during the year ended June 30, 2014. The outstanding balances are considered current-year Federal expenditures. These amounts are reported in the 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 balances of \$3,143,707, as of June 30, 2013, the loan expenditures of \$114,539, for the year ended June 30, 2014, and the year 2014 administrative cost allowance of \$5,727, are considered current-year Federal expenditures. These amounts are reported in summary in the Schedule of Expenditures of Federal Awards.

During the year ended June 30, 2014, the University processed \$58,462,259 of new loans under the Federal Direct Student Loan Program (CFDA No. 84.268). Since this program is administered by outside financial institutions, the new loans made in the year ended June 30, 2014, relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The new loans made in the year ended June 30, 2014, are reported in the Schedule of Expenditures of Federal Awards.

STATE OF MARYLAND

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

8. LOAN PROGRAMS (continued)

University System of Maryland

During the year ended June 30, 2014, University System of Maryland (the System) processed the following amount of new loans under the Direct Loan Program, which includes the Federal Stafford and Plus Loan program. Since these loan programs are administered by the Federal government, new loans made in the year ended June 30, 2014, are reported in the Schedule of Expenditures of Federal Awards, whereas the outstanding loan balances are not.

<u>CFDA Number</u>	<u>Program Name</u>	<u>Loan Expenditures For the Year Ended June 30, 2014</u>
84.268	Federal Direct Student Loans	<u>\$ 820,718,689</u>

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:

Economic Development Administration (EDA) Award Number(s)	<u>014903420- 01490342001</u>	<u>014903271</u>	<u>011903134</u>
1. Balance of RLF loans outstanding at the end of the fiscal year, <i>plus</i>	\$ 3,965,795	\$ 1,420,895	\$ 1,011,585
2. Cash and investment balance in the RLF at the end of the fiscal year, <i>plus</i>	192,120	479,318	98,457
3. Administrative expenses paid out of RLF income during the fiscal year, <i>plus</i>	90,555	-	-
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	<u>75%</u>	<u>75%</u>	<u>57.47%</u>
6. Total Federal Awards Expended	<u>\$ 3,186,352</u>	<u>\$ 1,425,160</u>	<u>\$ 637,955</u>

STATE OF MARYLAND

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

8. LOAN PROGRAMS (continued)

The System administers the following Federal Student Financial Assistance Programs:

<u>CFDA Number</u>	<u>Outstanding Balance as of June 30 , 2013</u>	<u>Loan Expenditures For the Year Ended June 30, 2014</u>
84.038 Perkins Loan Programs	\$ 59,501,925	\$ 8,520,540
93.264 Nurse Faculty Loan Program- ARRA	2,887	-
93.264 Nurse Faculty Loan Program	102,999	-
93.364 Federal Nursing Loan – Undergraduate	1,020,098	-
93.364 Federal Nursing Loan – Graduate	209,944	19,832
93.342 Health Professional Loan – Dental	5,159,891	1,001,300
93.342 Health Professional Loan – Medical	-	-
93.342 Health Professional Loan – Pharmacy	1,210,148	240,000
93.342 Health Professional Loan - Primary Care	3,657,512	-
Total	<u>\$ 70,865,404</u>	<u>\$ 9,781,672</u>

The outstanding loan balances as of June 30, 2013, and loan expenditures for the year ended June 30, 2014, are considered current-year Federal expenditures. These amounts are reported on the Schedule of Expenditures of Federal Awards.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

STATE OF MARYLAND

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

Section I – Summary of Independent Public Accountants’ Results

Financial Statements

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

Federal Awards

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

STATE OF MARYLAND

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

Section I – Summary of Independent Public Accountants’ Results (continued)

Identification of Major Programs

Major Program	CFDA No.	Federal Expenditures
SNAP Cluster	10.551/10.561	\$ 1,216,518,080
Child Nutrition Cluster	10.553/10.555/10.556/10.559	214,096,670
Special Supplemental Nutrition Program - WIC	10.557	94,599,504
Section 8 Project-Based Cluster	14.195/14.856	193,691,997
Unemployment Insurance	17.225	1,060,833,478
Federal Transit Cluster - ARRA	20.500/20.507/20.525	359,644
Federal Transit Cluster	20.500/20.507/20.525	196,835,228
Title I Grants to Local Educational Agencies (LEAs)	84.010	196,449,443
IDEA Part B Cluster	84.027/84.173	190,081,656
Rehabilitation Services - Vocational Rehabilitation		
Grants to States	84.126	42,450,691
Improving Teacher Quality State Grants	84.367	30,498,408
SFSF - Race-to-the-Top Incentive Grants - ARRA	84.395	77,350,412
State Planning and Establishment Grants for the Affordable		
Care Act (ACA)'s Exchanges	93.525	74,059,856
Child Care and Development Fund Cluster	93.575/93.596	76,791,703
Social Services Block Grant (SSBG)	93.667	52,421,685
Medicaid Cluster	93.775/93.777/93.778	4,854,323,174
HIV Care Formula Grants	93.917	33,573,882
Student Financial Assistance Cluster	84.007/84.033/84.037/ 84.038/84.063/84.268/ 84.379/84.408/93.264/ 93.342/93.364/93.408/ 93.925	1,141,503,085
Public Assistance Grants	97.036	7,905,832
Research and Development Cluster (R&D)	Various	620,498,190
Passenger Facility Charges	Unknown	84,410,738
Total		\$ 10,459,253,356

STATE OF MARYLAND

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

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

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

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

Auditee qualified as low-risk Auditee? No

Section II Financial Statement Findings

None

Section III Federal Awards Findings and Questioned Costs

See findings 2014-001 through 2014-015

Section IV Summary Schedule of Prior Year Findings

See findings 2013-001 through 2013-015
See findings 2012-002, 2012-009, 2012-011,
and 2012-012
See finding 2011-008
See finding 2010-010

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

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STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding No.	Funding Department	Title of Finding
2014-001*	U.S. Department of Health and Human Services (HHS)	Compliance and Internal Control Deficiency over Reporting – Subaward Reporting Under the Transparency Act
2014-002	U.S. Department of Health and Human Services (HHS)	Compliance and Internal Control Deficiency over Subrecipient Monitoring
2014-003*	U.S. Department of Health and Human Services	Compliance and Internal Control Deficiency over Level of Effort – <i>Maintenance of Effort</i>
2014-004*	U.S. Department of Agriculture (USDA)	Compliance and Internal Control Deficiency over Reporting – Subaward Reporting Under the Transparency Act
2014-005*	U.S. Department of Education	Compliance and Internal Control Deficiency over Reporting – Subaward Reporting Under the Transparency Act
2014-006*	U.S. Department of Education	Compliance and Internal Control Deficiency over Reporting – Subaward Reporting Under the Transparency Act
2014-007	U.S. Department of Education	Compliance and Internal Control Deficiency over Eligibility
2014-008*	U.S. Department of Education	Compliance and Internal Control Deficiency over Reporting – Subaward Reporting Under the Transparency Act
2014-009*	U.S. Department of Education	Compliance and Internal Control Deficiency over Reporting – Subaward Reporting Under the Transparency Act
2014-010*	Federal Transit Administration (FTA)	Compliance and Internal Control Deficiency over Procurement and Suspension and Debarment
2014-011*	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions - Student Enrollment Reporting
2014-012*	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions - Student Enrollment Reporting
2014-013*	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions - Student Enrollment Reporting
2014-014	U.S. Department of Education	Compliance and Internal Control Deficiency over Special Tests and Provisions - Student Enrollment Reporting
2014-015*	U.S. Department of Health and Human Services (HHS)	Compliance and Internal Control Deficiency over Activities Allowed or Unallowed and Allowable Costs/Cost Principles

* Significant deficiency control finding

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014 - 001

Maryland Health Benefit Exchange (MHBE)

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

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

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

Condition:

During our testing of Subaward Reporting under the Transparency Act at the Maryland Health Benefit Exchange (MHBE), we noted that MHBE did not report subaward data in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) for subawards subject to the Transparency Act. MHBE incurred \$15,060,699 in subaward expenditures during the year ended June 30, 2014.

Criteria:

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

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

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

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 001 (continued)

Criteria: (continued)

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

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

Cause:

MHBE did not ensure the proper reports were submitted through the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Effect:

MHBE is not in compliance with the Subaward Reporting under the Transparency Act requirement for the State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges.

Questioned Costs:

None.

Recommendation:

We recommend that MHBE implement procedures to ensure subawards subject to the Transparency Act are properly and timely reported through FSRS.

Auditee Response and Corrective Action Plan:

MBHE concurs with the finding.

MHBE will take the following corrective actions by the end of fiscal year 2015:

1) Register in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 001 (continued)

Auditee Response and Corrective Action Plan: (continued)

2) Create procedures for the purpose of reporting each first-tier subaward or subaward amendment that results in an obligation of \$25,000 or more in Federal funds by the end of the month following the month in which the reportable action occurred. The Procurement Officer has the responsibility to report into the FSRS.

3) MHBE's Procurement Officer will report compliance with Federal Funding Accountability and Transparency reporting requirements to MHBE's Compliance Committee on a quarterly basis.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014 - 002

Maryland Health Benefit Exchange (MHBE)

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

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

Compliance and Internal Control Deficiency over Subrecipient Monitoring

Condition:

During our testing of Subrecipient Monitoring at the Maryland Health Benefit Exchange (MHBE), we noted that MHBE did not have evidence that applicants for subawards provided a Dun and Bradstreet Data Universal Number System (DUNS) number as part of its subaward application or before award. We also noted that at the time of the subaward, MHBE did not identify to the subrecipients the Federal award information (i.e., CFDA title and number; award name and number; and name of the Federal awarding agency) and applicable requirements. Prior to the second year of the award, MHBE notified recipients of the Federal award information via email.

Criteria:

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

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

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

A pass-through entity is responsible for:

Determining Subrecipient Eligibility – In addition to any programmatic eligibility criteria under E., “Eligibility for Subrecipients,” determining whether an applicant for a subaward has provided a Dun and Bradstreet Data Universal Numbering System (DUNS) number as part of its subaward application or, if not, before award (2 CFR section 25.110 and Appendix A to 2 CFR part 25).

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 002 (continued)

Criteria: (continued)

Award Identification – At the time of the subaward, 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.

Cause:

MHBE was not aware of the Federal requirements to obtain a DUNS number before award and to identify to the subrecipient the CFDA title and number, award name and number, and name of the Federal agency.

Effect:

MHBE is not in compliance with the Subrecipient Monitoring requirement for the State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges.

Questioned Costs:

None.

Recommendation:

We recommend that MHBE establish internal controls to ensure that the DUNS number is included as part of subaward applications and MHBE should identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is research and development, and name of Federal agency in the grant agreements.

Auditee Response and Corrective Action Plan:

MHBE concurs with the finding.

MHBE will take the following corrective actions by the end of fiscal year 2015:

- 1) Include a request for each subrecipient's DUNS number in subaward applications.
- 2) Inform each subrecipient of the CFDA title and number, award name and number, award year, if the award is research and development, and name of the Federal agency.
- 3) Create an internal control mechanism to ensure each subrecipient provides its DUNS number on its subaward application and is informed of the CFDA title and number, award name and number, award year, if the award is research and development, and name of Federal agency in the grant agreement.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 002 (continued)

Auditee Response and Corrective Action Plan: (continued)

4) MHBE's Procurement Officer will report compliance with this corrective action to MHBE's Compliance Committee on a quarterly basis, as necessary.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 003

Department of Health and Mental Hygiene (DHMH)

CFDA No. 93.917–HIV Care Formula Grants (Ryan White HIV / AIDS Program Part B)

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

Compliance and Internal Control Deficiency over Level of Effort – *Maintenance of Effort*

Condition:

During our testing of Level of Effort – *Maintenance of Effort* (MOE) at the Department of Health and Mental Hygiene (DHMH), we noted that DHMH did not maintain sufficient documentation to support the expenditure amounts included in the MOE report submitted to the Federal agency. During our review of expenditure reports that DHMH provided to support the MOE requirement, we noted that the actual expenditure amounts were greater than the amounts reported and there was no documented methodology to support the amounts reported versus the actual expenditures.

Criteria:

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

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

The Ryan White HIV / AIDS Treatment Extension Act of 2009 (42 USC 300ff-27(b)(7)(E)) requires that the State will maintain HIV-related activities at a level that is equal to not less than the level of such expenditures by the State for the 1-year period preceding the fiscal year for which the State is applying for Part B funds.

Per the Ryan White HIV / AIDS Program Part B Manual, Section VII, Chapter 7:

Funds that States may use to demonstrate compliance with MOE requirements are those that have, at a minimum, an identifiable line item in State budgets and expenditure reports from State agencies.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 – 003 (continued)

Criteria: *(continued)*

Per the Ryan White HIV / AIDS Program Part B Manual, Section VII, Chapter 7: *(continued)*

To demonstrate compliance with MOE provisions, States and Territories must maintain adequate systems for consistently tracking and reporting on HIV-related expenditure data from year-to-year. The system must define the methodology used, be written and auditable, and must ensure that Federal funds do not supplant State spending but instead expand and enrich HIV-related activities.

The State/Territory must provide documentation proving that the overall level of HIV-related expenditures has been maintained year-to-year for the previous two complete fiscal years (based on the grantee's fiscal year).

Cause:

DHMH did not maintain sufficient documentation to support the methodology used in the MOE computation as the actual expenditures incurred are not reported on the MOE calculation.

Effect:

SBC cannot conclude that DHMH met the level of effort – maintenance of effort requirement due to inadequate documentation support.

Questioned Costs:

Unknown.

Recommendation:

We recommend that DHMH apply a consistent methodology to calculate and compile HIV-related expenditures from State-funded agencies and that DHMH maintain supporting documentation from the general ledger to support the amounts used in the maintenance of effort computation. We also recommend that the methodology utilized by the program be documented and obtain approval from the Federal agency.

Auditee Response and Corrective Action Plan:

DHMH concurs with the finding. DHMH proposes to establish a new Program Cost Account (PCA) in fiscal year 2016 for recording MOE expenditures. A dedicated PCA would facilitate the reporting of MOE expenditures in future Federal grant applications and provide documentation by enabling MOE-designated expenditures to be directly traceable in Financial Management Information System. DHMH will submit this plan for approval, including a description of the methodology used, to the Health Resources and Services Administration.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014 - 004

Maryland State Department of Education (MSDE)

Child Nutrition Cluster

CFDA 10.553 School Breakfast Program (SBP)

CFDA 10.555 National School Lunch Program (NSLP)

CFDA 10.556 Special Milk Program for Children (SMP)

CFDA 10.559 Summer Food Service Program for Children (SFSP)

U.S. Department of Agriculture (USDA)

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

Condition:

During our testing of Subaward Reporting under the Transparency Act at the Maryland State Department of Education (MSDE), we noted that for 30 out of 40 selected subawards subject to the Transparency Act, MSDE did not report subaward data in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) in a timely manner. Additionally, 1 of the subawards was not reported in the FSRS. MSDE incurred \$204,734,902 in subaward expenditures during the year ended June 30, 2014.

Criteria:

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

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

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

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014 - 004 (continued)

Criteria: (continued)

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

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

Cause:

MSDE did not have proper controls in place to ensure that all subawards subject to the Transparency Act were reported in the FSRS on a timely basis.

Effect:

MSDE is not in compliance with the Subaward Reporting under the Transparency Act requirement for the Child Nutrition Cluster program.

Questioned Costs:

None.

Recommendation:

We recommend that MSDE establish procedures to ensure that all subawards subject to the Transparency Act are reported in the FSRS on a timely basis.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 004 (continued)

Auditee Response and Corrective Action Plan:

MSDE reviewed and revised its Federal Funding Accountability and Transparency Act (FFATA) reporting procedures during May, 2014 to provide compliance with FFATA reporting requirements and during June, 2014 the revised procedures were disseminated throughout the Agency for implementation. Training was also provided at this time regarding the revised procedures. The revised procedures provide specific timeframes when data needs to be provided by the Divisions to the Local Financial and Reporting Office which is responsible for inputting data to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). At the time of the audit, Fiscal Year 2014 was almost at its conclusion and the noted exceptions had occurred. All exceptions have been investigated and information has been input to the FSRS. The Division responsible for managing this CFDA will continue to adhere to MSDE's revised FFATA reporting procedures.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 005

Maryland State Department of Education (MSDE)

CFDA No. 84.010 – Title I Grants to Local Educational Agencies

U.S. Department of Education (ED)

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

Condition:

During our testing of Subaward Reporting under the Transparency Act at the Maryland State Department of Education (MSDE), we selected 13 subawards subject to the Transparency Act and noted that for all 13 of the selections MSDE did not report subaward data in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) in a timely manner. MSDE incurred \$194,408,564 in subaward expenditures during the year ended June 30, 2014.

Criteria:

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

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

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

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 005 (continued)

Criteria: (continued)

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

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

Cause:

MSDE did not have proper controls in place to ensure that all subawards subject to the Transparency Act were reported in the FSRS on a timely basis.

Effect:

MSDE is not in compliance with the Subaward Reporting under the Transparency Act requirement for the Title I Grants to Local Educational Agencies program.

Questioned Costs:

None.

Recommendation:

We recommend that MSDE establish procedures to ensure that all subawards subject to the Transparency Act are reported in the FSRS on a timely basis.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 005 (continued)

Auditee Response and Corrective Action Plan:

MSDE reviewed and revised its Federal Funding Accountability and Transparency Act (FFATA) reporting procedures during May, 2014 to provide compliance with FFATA reporting requirements and during June, 2014 the revised procedures were disseminated throughout the Agency for implementation. Training was also provided at this time regarding the revised procedures. The revised procedures provide specific timeframes when data needs to be provided by the Divisions to the Local Financial and Reporting Office which is responsible for inputting data to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). At the time of the audit, Fiscal Year 2014 was almost at its conclusion and the noted exceptions had occurred. All exceptions have been investigated and information has been input to the FSRS. The Division responsible for managing this CFDA will continue to adhere to MSDE's revised FFATA reporting procedures.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014 - 006

Maryland State Department of Education (MSDE)

Special Education Cluster (IDEA)

CFDA 84.027 Special Education – Grants to States (IDEA, Part B)

CFDA 84.173 Special Education – Preschool Grants (IDEA Preschool)

U.S. Department of Education (ED)

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

Condition:

During our testing of Subaward Reporting under the Transparency Act at the Maryland State Department of Education (MSDE), we selected 40 subawards subject to the Transparency Act and noted that for 17 of the subawards, MSDE did not report subaward data in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Additionally, 14 of the subawards were not filed in a timely manner. MSDE incurred \$182,627,434 in subaward expenditures during the year ended June 30, 2014.

Criteria:

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

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

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

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014 - 006 (continued)

Criteria: (continued)

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

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

Cause:

MSDE did not have proper controls in place to ensure that all subawards subject to the Transparency Act were reported in the FSRS on a timely basis.

Effect:

MSDE is not in compliance with the Subaward Reporting under the Transparency Act requirement for the Special Education Cluster (IDEA).

Questioned Costs:

None.

Recommendation:

We recommend that MSDE establish procedures to ensure that all subawards subject to the Transparency Act are reported in the FSRS on a timely basis.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 006 (continued)

Auditee Response and Corrective Action Plan:

MSDE reviewed and revised its Federal Funding Accountability and Transparency Act (FFATA) reporting procedures during May, 2014 to provide compliance with FFATA reporting requirements and during June, 2014 the revised procedures were disseminated throughout the Agency for implementation. Training was also provided at this time regarding the revised procedures. The revised procedures provide specific timeframes when data needs to be provided by the Divisions to the Local Financial and Reporting Office which is responsible for inputting data to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). At the time of the audit, Fiscal Year 2014 was almost at its conclusion and the noted exceptions had occurred. All exceptions have been investigated and information has been input to the FSRS. The Division responsible for managing this CFDA will continue to adhere to MSDE's revised FFATA reporting procedures.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014 - 007

Maryland State Department of Education (MSDE)

CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States

U.S. Department of Education (ED)

Compliance and Internal Control Deficiency over Eligibility

Condition:

During our testing of Eligibility at the Maryland State Department of Education (MSDE), we selected 40 files to review for eligibility determination. For two of the participant files selected, we noted that the eligibility determination was not made within 60 days after the individual submitted an application for the services.

Criteria:

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

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

Section 102(a)(6) of Title I of the Rehabilitation Act of 1973, as amended (29 USC 722(a)(6)) requires that the State Vocational Rehabilitation (VR) Agency must determine whether an individual is eligible for VR services within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless:

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

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 007 (continued)

Cause:

MSDE did not have proper controls in place to ensure that all eligibility determinations were made timely.

Effect:

MSDE is not in compliance with the Eligibility requirement for the Rehabilitation Services – Vocational Rehabilitation Grants to States program.

Questioned Costs:

None.

Recommendation:

We recommend that MSDE improve internal controls to ensure that all eligibility determinations are made timely.

Auditee Response and Corrective Action Plan:

The Division of Rehabilitation Services (DORS) has satisfactory controls regarding compliance to the 60 day eligibility determination requirement. In this regard, all counselors are required to complete a client's eligibility determination within 60 days of the date when the client submitted an application. Furthermore, supervisors are required to follow up on the counselors' adherence to this requirement. The two cited exceptions occurred as a result of unforeseen and extraordinary personnel situations. DORS will continue to look at the eligibility determination in accordance with 29 USC 722(a)(6) and as needed provide either individual or district training to address any future instances where the 60 day eligibility requirement is not met.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 008

Maryland State Department of Education (MSDE)

CFDA 84.367 – Improving Teacher Quality State Grants

U.S. Department of Education (ED)

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

Condition:

During our testing of Subaward Reporting under the Transparency Act at the Maryland State Department of Education (MSDE), we selected 11 subawards subject to the Transparency Act and noted that for all 11 of the selections MSDE did not report subaward data in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) in a timely manner. MSDE incurred \$28,573,383 in subaward expenditures during the year ended June 30, 2014.

Criteria:

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

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

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

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 008 (continued)

Criteria: (continued)

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

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

Cause:

MSDE did not have proper controls in place to ensure that all subawards subject to the Transparency Act were reported in the FSRS on a timely basis.

Effect:

MSDE is not in compliance with the Subaward Reporting under the Transparency Act requirement for the Improving Teacher Quality State Grants program.

Questioned Costs:

None.

Recommendation:

We recommend that MSDE establish procedures to ensure that all subawards subject to the Transparency Act are reported in the FSRS on a timely basis.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 008 (continued)

Auditee Response and Corrective Action Plan:

MSDE reviewed and revised its Federal Funding Accountability and Transparency Act (FFATA) reporting procedures during May, 2014 to provide compliance with FFATA reporting requirements and during June, 2014 the revised procedures were disseminated throughout the Agency for implementation. Training was also provided at this time regarding the revised procedures. The revised procedures provide specific timeframes when data needs to be provided by the Divisions to the Local Financial and Reporting Office which is responsible for inputting data to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). At the time of the audit, Fiscal Year 2014 was almost at its conclusion and the noted exceptions had occurred. All exceptions have been investigated and information has been input to the FSRS. The Division responsible for managing this CFDA will continue to adhere to MSDE's revised FFATA reporting procedures.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 009

Maryland State Department of Education (MSDE)

Child Care and Development Fund Cluster (CCDF)

CFDA 93.575 Child Care and Development Block Grant

CFDA 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

U.S. Department of Education (ED)

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

Condition:

During our testing of Subaward Reporting under the Transparency Act at the Maryland State Department of Education (MSDE), we noted that for 1 out of 7 selected subawards subject to the Transparency Act, MSDE reported the subaward data in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) at the incorrect amount. MSDE incurred \$50,187,760 in subaward expenditures during the year ended June 30, 2014.

Criteria:

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

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

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

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 009 (continued)

Criteria: (continued)

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

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

Cause:

MSDE made a typographical error to include the incorrect amount for one subaward.

Effect:

MSDE is not in compliance with the Subaward Reporting under the Transparency Act requirement for the Child Care and Development Fund Cluster.

Questioned Costs:

None.

Recommendation:

We recommend that MSDE establish procedures to ensure that all subawards subject to the Transparency Act are reported in the FSRS accurately.

Auditee Response and Corrective Action Plan:

MSDE agrees that the amount for one of the tested subawards was incorrectly reported to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). This reporting error was caused by a typographical error on a form used to input data into the FSRS. Procedures have been developed so that in the future data on the input form will be independently verified by another employee before the data is entered in the FSRS.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014 - 010

Maryland Department of Transportation (MDOT)

Federal Transit Cluster

CFDA 20.500 Federal Transit – Capital Investment Grants

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

CFDA 20.525 State of Good Repair Grants

Federal Transit Administration (FTA)

Compliance and Internal Control Deficiency over Procurement and Suspension and Debarment

Condition:

During our testing of Procurement and Suspension and Debarment at the Maryland Transit Administration (MTA), MTA was not able to locate contract files for two of the 14 procurements selected. Additionally, there was no evidence that MTA performed a verification check for covered transactions by checking the Excluded Parties List System (EPLS) for one of the 14 vendors.

Criteria:

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

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

The code of Maryland regulations (COMAR 21.05.01.07) “Procurement Record” requires that a procurement file on each procurement for contracts in excess of \$25,000, shall include: a) a record of solicitation of inquiries; b) a listing of every bidder or offeror solicited; c) all bids or offers received; d) all internal and external correspondence regarding the procurement; e) written documentation from the procurement officer describing efforts to confirm the information in the affidavits submitted by the successful bidder or offeror, including, at a minimum, verification that the business has not been suspended or debarred by the State or Federal government; and f) the final contract.

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014 - 010 (continued)

Cause:

MTA had inadequate controls in place over document retention.

Effect:

MTA is not in compliance with the Procurement and Suspension and Debarment requirements for the Federal Transit Cluster.

Questioned Costs:

Unknown.

Recommendation:

We recommend that MTA establish internal controls to ensure they maintain adequate documentation to support that the Federal and State laws and procedures were followed for procurement.

Auditee Response and Corrective Action Plan:

To ensure the required procurement documentation is complete, MTA distributed a new checklist to all procurement officers during the second quarter of fiscal year 2015. MTA procurement officers will review all contract files and sign off on the checklist. In addition, the Director of Procurement, or a designee, will conduct periodic reviews to ensure these procedures are being followed. Based on the auditor's recommendation, the checklist has been modified to include a checkbox to indicate a verification of the vendor's status. MTA will ensure a contractor's good standing by reviewing the Excluded Parties List System for Federally funded contracts and reviewing the Board of Public Works debarment list for State funded contracts.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014-011

University System of Maryland – Bowie State University (BSU)

Student Financial Assistance Cluster

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

U.S. Department of Education (ED)

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

Condition:

During our testing of student enrollment reporting, we reviewed the enrollment status of 40 students. We noted that for eight of the students selected, BSU did not submit the students' updated status to the National Student Loan Data System (NSLDS) within 60 days; and for two of the students selected, the enrollment status per the institution's PeopleSoft system did not match the enrollment status per NSLDS.

Criteria:

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

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

Per OMB A-133:

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

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014-011 (continued)

Criteria: (continued)

Per OMB A-133: (continued)

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

Per 34 CFR § 682.610(c):

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014-011 (continued)

Auditee Response and Corrective Action Plan:

The University agrees with this finding. The following procedures will be implemented by April 30, 2015:

1. The Financial Aid Coordinator will reconcile discrepancies between Enrollment and Financial Aid on a monthly basis to identify all students that should be updated at NSLDS. The reconciliation will be reviewed and signed off monthly by the Director of Financial Aid.
 - a. Students that complete an official withdraw form will be reported to NSLDS at the end of each month.
 - b. Students that unofficially withdraw (stop outs or no shows) will be reported to NSLDS at the conclusion of the late registration period each semester.
2. The Financial Aid Coordinator will ensure that all changes to student enrollment status are reported to NSLDS within the required time frame.
3. The Financial Aid Coordinator will maintain an updated list of all students reported to NSLDS.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014-012

University System of Maryland – University of Maryland, Baltimore County (UMBC)

Student Financial Assistance Cluster

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

U.S. Department of Education (ED)

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

Condition:

During our testing of student enrollment reporting, we noted that for 24 out of 40 students selected, UMBC did not submit the students' updated status to the National Student Loan Data System (NSLDS) within 60 days.

Criteria:

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

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

Per OMB A-133:

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

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014-012 (continued)

Criteria: *(continued)*

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

Per 34 CFR § 682.610(c):

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014-012 (continued)

Auditee Response and Corrective Action Plan:

UMBC has established and implemented procedures to ensure that enrollment status changes are updated and accurately reported in a timely manner in the NSLDS database. Specifically, previously we had utilized a report generated from a data warehouse reporting application that had program limitations resulting in untimely reporting of some student enrollment records. However, in Fall 2014 UMBC began utilizing a more accurate PeopleSoft (PS) report to update required enrollment information via our third party service. The new report output has been reviewed by management for data quality and verified as accurate.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014-013

Baltimore City Community College (BCCC)

Student Financial Assistance Cluster

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

U.S. Department of Education (ED)

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

Condition:

During our testing of student enrollment reporting, we reviewed the enrollment status of forty students. We noted that for six of the students selected, BCCC did not submit the students' updated status to the National Student Loan Data System (NSLDS) within 60 days; for sixteen of the students selected, the enrollment status per the institution's PeopleSoft system did not match the enrollment status per NSLDS; and for three of the students selected, support that the enrollment status was submitted to NSLDS was unable to be obtained.

Criteria:

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

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

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014-013 (continued)

Criteria: (continued)

Per OMB A-133:

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

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

Per 34 CFR § 682.610(c):

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

Cause:

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

Effect:

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

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014-013 (continued)

Questioned Costs:

None.

Recommendation:

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

Auditee Response and Corrective Action Plan:

BCCC has corrected the program reporting enrollment data to the Clearinghouse that will enable the College to report student enrollment status changes in a timely manner.

BCCC's Information Technology (IT) staff identified a programming error that caused the 20% freeze date to be selected as the date for reporting a student's current enrollment status. The error was corrected during the programming overhaul that was required by the Department of Education (ED) in their February 27, 2014, version of the NSLDS Enrollment Reporting File Layout and guidance. IT programming staff corrected the data element selection to ensure that the student's capture data is selected from the correct field. The programming changes were completed during October, 2014 after the auditor's review.

Additionally, on the 10th of every month, the College reports student status changes to the Clearinghouse to ensure that timely information is updated to the NSLDS database. Our records show that the three students who were not recorded on the NSLDS database were actually included on the College's report to the Clearinghouse. The College is currently evaluating its existing processes to develop a method to ensure or at least identify student information that is reported to the Clearinghouse, yet does not appear in the NSLDS database. We believe that the programming change coupled with the monthly reporting will eliminate the risk of reporting in excess of 60 days after the student's enrollment status change date. These controls will ensure that enrollment status changes are updated and accurately reported in a timely manner and reported to the Clearinghouse.

Finally, the College does not currently process student loans; however, the enrollment status and effective dates have been corrected in our Student Information Management System's (SIMS) program to ensure that the NSLDS can properly determine repayment date, grace period and deferment.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014-014

Morgan State University (MSU)

Student Financial Assistance Cluster

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

U.S. Department of Education (ED)

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

Condition:

During our testing of student enrollment reporting, we noted that for 24 out of 40 students selected, MSU did not submit the students' updated status to the National Student Loan Data System (NSLDS) within 60 days.

Criteria:

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

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

Per OMB A-133:

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

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014-014 (continued)

Criteria: (continued)

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

Per 34 CFR § 682.610(c):

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

STATE OF MARYLAND

**Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2014-014 (continued)

Auditee Response and Corrective Action Plan:

The University has consistently reported student enrollment status information to NSLDS via the National Student Clearinghouse (NSC) on a monthly basis. However, NSC did not report the data to NSLDS for the summer months in 2014. The Federal reporting guidelines now require NSC to remit enrollment information to NSLDS for the summer months as well. Accordingly, the isolated period of a break in service has been eliminated and this finding will not recur. However, as of January 2015, the University has implemented an additional review to help ensure that NSC relays enrollment data to NSLDS in a timely fashion.

Auditor Conclusion:

Based on the above, the finding remains as stated.

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014-015

Morgan State University (MSU)

Research and Development Cluster

CFDA No. 93.307 Minority Health and Health Disparities Research (HHS107)

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

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

Condition:

During our testing of Activities Allowed or Unallowed and Allowable Costs/Cost Principles at Morgan State University (MSU), we reviewed the indirect cost allocation for the HHS107 grant. We noted that direct costs for consortium/contractual were improperly included in the indirect cost pool above the \$25,000 maximum allowed by the grant agreement.

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.

The Notice of Award from HHS for Grant #2R24MD002803-06 REVISED issued August 20, 2013, includes Federal Direct Costs and Federal Facilities and Administrative (F&A) Costs. The grant operates under a modified indirect cost rate of 48.5% of the F&A Costs base, which included salaries and wages, fringe benefits, personnel costs, and supplies. The F&A Costs base do not include consortium/contractual costs over \$25,000.

Cause:

MSU did not have functioning controls in place to ensure that consortium/contractual direct costs over \$25,000 were not included in the direct cost pool from which indirect costs are calculated and charged to the grant.

Effect:

MSU overstated expenditures to the grant and overcharged the awarding agency.

STATE OF MARYLAND

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2014-015 (continued)

Questioned Costs:

\$156,507

Recommendation:

We recommend that MSU establish procedures to ensure that indirect cost allocation is calculated and charged correctly.

Auditee Response and Corrective Action Plan:

The University agrees that the internal control surrounding indirect cost (IDC) calculation needs to be enhanced. Currently, the financial accounting system does not provide the necessary automated control to help ensure that IDC is applied for the first \$25,000 of the sub-award expenditures only. The manual process is prone to error and is conducted in a shadow system. The University will work with the vendor to explore the possibility of modifying the system's capabilities to automate that calculation. In addition, as a result of the audit, the University has implemented a rigorous manual process to independently verify the accuracy of all IDC calculations.

The majority of the questioned costs was removed in the shadow system and was not charged to the sponsor; however, the financial accounting system was not adjusted accordingly. Specifically, only \$53,402 was overcharged to the sponsor for the given fiscal year, but has now been reversed in the current year to yield no overcharge overall (this is an active multi-year award). An adjusting journal entry has been executed to bring the invoice and draw down data to match the financial accounting system. Therefore, all expenditures are now allowable and in compliance with governing regulations.

Auditor Conclusion:

Based on the above, the finding remains as stated.

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SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 001

Maryland Health Benefit Exchange (MHBE)

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

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

Compliance and Internal Control Deficiency over Reporting

Condition:

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

Criteria:

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

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

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

Cause:

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

Effect:

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

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 001 (continued)

Questioned Costs:

None.

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

Auditee Update – October 2014:

The MHBE has re-submitted the missing December 2012 grant report to the Centers for Medicare and Medicaid Services – Center for Consumer Information and Insurance Oversight (CMS CCIIO) and has a policy in place to ensure that the reports are submitted timely and are retained for audit purposes as evidence of review and approval.

Auditor Conclusion:

Based on testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 002

Department of Health and Mental Hygiene (DHMH)

Medicaid Cluster

CFDA No. 93.775, 93.777, 93.778

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

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

Condition:

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

Criteria:

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 002 (continued)

Auditee Response and Corrective Action Plan:

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

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

Auditee Update – October 2014:

As previously stated, the Risk Assessment in question was completed in September 2013.

The Administration contracted with a company specializing in IT security assessments for government systems. The assessment included reviews of the Medicaid Management Information System (MMIS II) and the Electronic Data Interchange Translator Processing System (EDITPS). Areas reviewed included: Security Test and Evaluation; Risk Assessments; Penetration Testing; Disaster Recovery and Gap Analysis. The security testing was based on the *Recommended Security Controls for Federal Information Systems and Organizations*.

To ensure the risk assessment is completed timely, the Administration no longer relies on the overall assessment performed for the entire Department, and includes specific provisions in its budget for performance of the biennial assessment.

The Risk Assessment for the next two-year period was completed in September 2014.

Auditor Conclusion:

Based on testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 003

Maryland State Department of Education (MSDE)

CFDA No. 10.558 – Child and Adult Care Food Program

U.S. Department of Agriculture

Compliance and Internal Control Deficiency over Reporting

Condition:

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

Criteria:

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

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

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

Cause:

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

Effect:

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

Questioned Costs:

None.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 003 (continued)

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

Auditee Update – January 2015:

MSDE's FFATA reporting procedures have been updated and were communicated throughout the Agency on June 10, 2014. Program Managers for this CFDA have received and are complying with the revised reporting procedures. In this regard, the revised procedures requires the Program Office to provide data by the 15th of each month to the Local Financial Reporting Office (LFRO) for any grant issued in the prior month which meets FFATA reporting criteria. The LFRO subsequently enters this data by the last day of each month into the FFATA Sub Award Reporting System thereby meeting FFATA reporting requirements. The Program Office has provided reports to the LFRO for the months during the period July 2013 through December 2014. It is completing its retroactive review of grants for the period October 2010 through June 2013 and will provide the results of this review to the LFRO by March 31, 2015.

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 004

Maryland State Department of Education (MSDE)

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

U.S. Department of Education

Compliance and Internal Control Deficiency over Reporting

Condition:

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

Criteria:

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

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

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

Cause:

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

Effect:

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

Questioned Costs:

None.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 – 004 (continued)

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

Auditee Update – January 2015:

MSDE's FFATA reporting procedures have been updated and were communicated throughout the Agency on June 10, 2014. Program Managers for these CFDA's have received and are complying with the revised reporting procedures. In this regard, the revised procedures requires the Program Office to provide data by the 15th of each month to the Local Financial Reporting Office (LFRO) for any grant issued in the prior month which meets FFATA reporting criteria. The LFRO subsequently enters this data by the last day of each month into the FFATA Sub Award Reporting System thereby meeting FFATA reporting requirements. The 21st Century Program Office has completed its retroactive review of grants issued since October 1, 2010, and has provided the results of this review to the LFRO. Similarly, the Career and Technical Education Program Office has commenced its retroactive review of grants issued since October 1, 2010, and expects to complete this review by March 31, 2015.

Correspondence dated July 7, 2014, from the United States Department of Education (USDE) stated that based on MSDE's reported corrective action it considers this Finding resolved and closed.

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 005

Maryland State Department of Education (MSDE)

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

U.S. Department of Education

Compliance and Internal Control Deficiency over Reporting

Condition:

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

Criteria:

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

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

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

Cause:

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

Effect:

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

Questioned Costs:

None.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 – 005 (continued)

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

Auditee Update – January 2015:

MSDE's FFATA reporting procedures have been updated and were communicated throughout the Agency on June 10, 2014. Program Managers for this CFDA have received and are complying with the revised reporting procedures. In this regard, the revised procedures requires the Program Office to provide data by the 15th of each month to the Local Financial Reporting Office (LFRO) for any grant issued in the prior month which meets FFATA reporting criteria. The LFRO subsequently enters this data by the last day of each month into the FFATA Sub Award Reporting System thereby meeting FFATA reporting requirements. The Program Office still needs to complete its retroactive review of grants issued since October 1, 2010, and provide the results of this review to the LFRO by March 31, 2015.

Correspondence dated July 7, 2014, from the United States Department of Education (USDE) stated that based on MSDE's reported corrective action it considers this Finding resolved and closed.

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 006

Maryland State Department of Education (MSDE)

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

U.S. Department of Education (ED)

Compliance and Internal Control Deficiency over Reporting

Condition:

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

Criteria:

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 – 006 (continued)

Auditee Response and Corrective Action Plan:

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

Auditee Update – January 2015:

This Finding was for three grant awards (out of several hundred) where the amount awarded was reduced and not recorded in subsequent ARRA 1512 reports. Expenditures reported for these grants were accurate in all ARRA 1512 reports. On March 19, 2014, MSDE input revised data for the three grants into the FederalReporting.gov database resulting in the related ARRA 1512 reports being corrected. Furthermore, correspondence dated August 25, 2014, from USDE, while not indicating that the ARRA 1512 reports had been corrected, stated that MSDE's corrective action response was accepted and considered the Finding resolved. All reports were corrected as of the end of the ARRA 1512 reporting requirement.

Auditor Conclusion:

Based on testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 007

Maryland Department of Transportation (MDOT)

Federal Transit Cluster

CFDA 20.500 Federal Transit – Capital Investment Grants

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

CFDA 20.525 State of Good Repair Grants

Federal Transit Administration (FTA)

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

Condition:

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

Criteria:

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

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

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

Per OMB A-87:

Applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transaction are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 007 (continued)

Criteria (continued)

To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

Cause:

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

Effect:

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

Questioned Costs:

\$140,428

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

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

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

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 007 (continued)

Auditee Update – October 2014:

We concur. We accepted the recommendations as stated in the findings. As noted in the corrective action plan, processes continue to be in place to correctly identify changes in the accounting records such as reclassification entries, adjustments and reversals prior to requesting funds allowable under the Federal Transit Cluster. This review, in addition to, reviewing such transactions through Web Focus Reports and an additional level of review at the supervisory level should prevent future occurrences. We have also trained and taken on an additional grant analyst to add another level of preparation and review.

Auditor Conclusion:

Based on testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 008

State of Maryland – Department of Aging

Aging Cluster

CFDA 93.044 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers

CFDA 93.045 Special Programs for the Aging – Title III, Part C – Nutrition Services

CFDA 93.053 Nutrition Services Incentive Program

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

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

Condition:

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

Criteria:

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

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

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 008 (continued)

Criteria: *(continued)*

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

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 008 (continued)

Auditee Response and Corrective Action Plan:

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

Auditee Update – October 2014:

As previously indicated, MDOA has complied with the recommendations made and has taken the necessary steps to remedy this finding and become compliant. MDOA has strengthened its procedures and the initial reporting has been completed, in accordance with FFATA regulations and guidelines. MDOA procedures update this listing as needed and report sub awards through the FSRS system no later than the last day of the month following the obligation of funding to the subawardees.

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 009

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

Student Financial Assistance Cluster

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

U.S Department of Education (ED)

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

Condition:

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

Criteria:

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

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

Per OMB A-133:

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 009 (continued)

Criteria: *(continued)*

Per OMB A-133: (continued)

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

Per 34 CFR § 682.610(c):

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 009 (continued)

Auditee Response and Corrective Action Plan:

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

Auditee Update – October 2014:

As stated in the initial response, PeopleSoft did include a fix in Bundle 32 that was applied to our system in production on February 27, 2014. The fix automatically performs tuition calculation once an administrative user in the Records Office posts a term withdrawal. Immediately following the post, a student's program/plan is inactivated with the same effective date of the term withdrawal. In addition, UMES implemented the use of a manual (Excel) database to record term withdrawals and to review the reporting status of withdrawn students before submission to NCS and after the report is processed at NCS. Having the tuition calculation functionality for the Records Office when posting term withdrawals has reduced the lag time between posting term withdrawals, tuition calculation and inactivating program/plans. It has also reduced the need for any customization at this time. We will continue to monitor the process and status of withdrawn students to determine if modifications are need in the future.

Auditor's Conclusion:

Based on follow-up testing performed during 2014, the finding is a repeat finding, as the corrective action plan was not in place for all of fiscal year 2014. It started in the Spring 2014 semester. We selected a sample of files from that period and noted the corrective action plan was put in place.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 010

University System of Maryland – Towson University (TU)

Student Financial Assistance Cluster

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

U.S Department of Education (ED)

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

Condition:

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

Criteria:

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

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 010 (continued)

Criteria: *(continued)*

Per OMB A-133:

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

Per 34 CFR § 682.610(c):

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

Cause:

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

Effect:

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

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 010 (continued)

Questioned Costs:

None.

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

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

Auditee Update – October 2014:

Beginning with the Spring 2014 term, when reporting enrollment to NSC, TU has excluded W grades from all calculations of current enrollment level. Based on this change, students who have withdrawn from all their classes will now be reported to NSC as withdrawn, and NSC will forward this withdraw data to NSLDS to meet the Department of Education's enrollment reporting requirements.

Auditor's Conclusion:

Based on follow-up testing performed during 2014, the finding is a repeat finding, as the corrective action plan was not in place for all of fiscal year 2014. It started in the Spring 2014 semester. We selected a sample of files from that period and noted the corrective action plan was put in place.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 011

University System of Maryland – Towson University (TU)

Student Financial Assistance Cluster

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

U.S Department of Education (ED)

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

Condition:

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

Criteria:

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

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 011 (continued)

Criteria: *(continued)*

Per 34 CFR Section 668.22:

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

Cause:

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

Effect:

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

Questioned Costs:

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

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 011 (continued)

Auditee Update – October 2014:

Starting with Fall 2013 term, when calculating Return of Title IV (R2T4) adjustments, the Financial Aid Office now corrects PeopleSoft responses for the days in the term and the days completed to adjust for breaks in the term.

In addition, we reviewed and correct the Spring 2013 R2T4 calculations errors identified by the auditors, reduced student aid by the revised additional amounts, and returned additional unearned federal aid funds to the U.S. Department of Education.

The following was returned to the Department of Education:

Additional Pell Grant funds	\$ 76
Additional Federal Loan Funds	\$5,140
Total Additional Funds Returned	\$5,216

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 012

Morgan State University (MSU)

Student Financial Assistance Cluster

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

U.S Department of Education (ED)

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

Condition:

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

Criteria:

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

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

Per OMB A-133:

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 012 (continued)

Criteria: *(continued)*

Per OMB A-133: (continued)

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

Per 34 CFR § 682.610(c):

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 012 (continued)

Auditee Response and Corrective Action Plan:

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

Auditee Update- October 2014:

As reported last fiscal year, this recommendation has been fully implemented. The Office of Records and Registration has established and implemented procedures to correct the identified reporting deficiencies. The University has been reporting the enrollment status of its students to the National Student Clearinghouse (NSC) in an accurate and timely manner. Therefore, changes in the students' enrollment are now properly reported to the National Student Loan Data System database.

Auditor Conclusion:

Based on testing performed during 2014, the finding is a repeat finding. See finding 2014-014.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 013

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

Student Financial Assistance Cluster

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

U.S Department of Education (ED)

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

Condition:

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

Criteria:

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

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

Per OMB A-133:

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 013 (continued)

Criteria: *(continued)*

Per OMB A-133: (continued)

Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site.

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

Per 34 CFR § 682.610(c):

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

Cause:

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

Effect:

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

Questioned Costs:

None.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 013 (continued)

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

Auditee Update- October 2014:

Previously the College used to report the commencement date as the date of departure from the College. Moving forward, the College will now use the last date of classes as the departure date from the College. For students who receive federal financial aid, the change will eliminate using two reporting dates on our system (i.e. the date the student completes their degree work and the commencement date as the departure date). Therefore, using the last date of classes will match the Clearing-House reporting system which retrieves the last date of the semester as the graduation date. The Clearing-House graduation date is also used to determine when a student goes into repayment of loans. The change will improve reporting at both the College and the Clearing-House.

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is a repeat finding.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 014

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

Student Financial Assistance Cluster

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

U.S Department of Education (ED)

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

Condition:

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

Criteria:

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

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

Per 34 CFR Section 668.22:

In part, that an institution is required to have a fair and equitable refund policy. Per 34 CFR Section 668.22, when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student has unofficially withdrawn.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 014 (continued)

Criteria: *(continued)*

Per 34 CFR Section 668.22: (continued)

The unearned portion of Title IV funds must be returned to the Department of Education within 45 calendar days of the date the student officially withdraws.

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

Auditee update - October 2014:

The College continues to perform monthly review and approval processes at the supervisory level to ensure that all "Return of Title IV funds" calculation and refunds are completed within the regulatory time limit. Documentation of the returns is maintained in the Office of Financial Aid.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 014 (continued)

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 015

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

Student Financial Assistance Cluster

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

U.S Department of Education (ED)

Compliance and Internal Control Deficiency over Reporting

Condition:

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

Criteria:

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

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

Per OMB A-133:

All schools receiving Pell grants submit Pell payment data to the Department through the Common Origination and Disbursement (COD) System. Schools submit Pell origination records and disbursement records to the COD. Origination records can be sent well in advance of any disbursements, as early as the school chooses to submit them for any student the school reasonably believes will be eligible for a payment.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2013 - 015 (continued)

Criteria: *(continued)*

Per OMB A-133: (continued)

A school follows up with a disbursement record for that student no more than 30 days before a disbursement is to be paid (7 days in the case of a school using the just-in-time method). The disbursement record reports the actual disbursement date and the amount of the disbursement.

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

Cause:

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

Effect:

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

Questioned Costs:

None.

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2013 - 015 (continued)

Auditee Update- October 2014:

The College has improved internal processes within the Business and Financial aid Offices. We conduct regular meetings to ensure that the disbursement dates on the College's system matches the disbursement date on the COD system and the student's account record. The meetings are usually held twice a month but the frequency may vary depending upon the time of the year. In addition, both offices maintain electronic communications to confirm the action taken.

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2012 - 002

Department of Health and Mental Hygiene (DHMH)

Medicaid Cluster

CFDA No. 93.775 State Medicaid Fraud Control Units

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

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

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

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

Condition:

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

Criteria:

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

Cause:

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

Effect:

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

Questioned Costs:

None.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2012 - 002 (continued)

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

Auditee Update – October 2014:

The assessment review was performed, and completed in September 2013.

The Administration contracted with a company specializing in IT security assessments for government systems. The assessment included reviews of the Medicaid Management Information System (MMIS II) and the Electronic Data Interchange Translator Processing System (EDITPS). Areas reviewed included: Security Test and Evaluation; Risk Assessments; Penetration Testing; Disaster Recovery and Gap Analysis. The security testing was based on the *Recommended Security Controls for Federal Information Systems and Organizations*.

To ensure the risk assessment is completed timely, the Administration no longer relies on the overall assessment performed for the entire Department, and includes specific provisions in its budget for performance of the biennial assessment.

The Risk Assessment for the next two-year period was completed in September 2014.

Auditor Conclusion:

Based on testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2012 - 009

University System of Maryland – University of Baltimore

Student Financial Assistance Cluster

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

U.S. Department of Education (ED)

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

Condition:

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

Criteria:

Per 34 CFR Section 674.42:

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

Cause:

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2012 - 009 (continued)

Effect:

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

Questioned Costs:

None.

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

Auditee Update – October 2014:

The University of Baltimore monitors individual student enrollments on a weekly basis. Students who have withdrawn or have been reduced to a part-time enrollment status are immediately notified of the exit interview requirement. Additionally, Campus Partners, the University's Perkins Loan Servicer, notifies the student to complete an online exit interview. If the online interviews are not completed, Campus Partners mails the student(s) a paper exit interview. The University is committed to ensuring we remain compliant with the student loan repayment requirements, which we fully implemented in January 2014, as outlined in OMB Circular A-133.

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2012 - 011

University System of Maryland - Coppin State University

Student Financial Assistance Cluster

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

U.S. Department of Education (ED)

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

Condition:

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

Criteria:

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

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2012 - 011 (continued)

Criteria: (continued)

Per OMB A-133:

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

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

Per 34 CFR § 682.610(c):

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

Cause:

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2012 - 011 (continued)

Effect:

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

Questioned Costs:

Unknown.

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

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

Auditee Update - October 2014:

The University continues to use the system solution that was developed by Information Technology Department and the Office of Records and Registration to appropriately report to the Federal Clearinghouse a student's full-time, part-time and withdrawal status. Since the implementation of the new process in Spring 2013 the University has been successful in reporting student enrollment data.

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is a repeat finding.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2012 - 012

University System of Maryland - Coppin State University

Student Financial Assistance Cluster

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

U.S. Department of Education (ED)

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

Condition:

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

Criteria:

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

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

Per 34 CFR Section 668.22:

In part, that an institution is required to have a fair and equitable refund policy. Per 34 CFR Section 668.22, when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student has unofficially withdrawn. The unearned portion of Title IV funds must be returned to the Department of Education within 30 calendar days of the date the student officially withdraws.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2012 - 012 (continued)

Criteria: *(continued)*

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

Cause:

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

Effect:

This resulted in the incorrect amount being returned to ED.

Questioned Costs:

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

Recommendation:

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

Auditee Response and Corrective Action Plan:

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

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

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2012 - 012 (continued)

Auditee Update – October 2014:

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

- We have reviewed the students identified in association with the Questioned Costs of \$19,000 and determined \$13,000 should be returned. These funds were returned to the appropriate funding program via Common Origination and Disbursement (COD) and the Federal G-5 System in September 2013.
- The University's written Federal Return of Title IV Refund policy and Tuition refund policy has been revised approved and reviewed with personnel responsible for implementing.
- Communication to US Department of Education sent September 2013 included the information stated above and the University has the Final Program Determination Letter.
- The University's Financial Aid Office has elected to use the Department of Education's Return of Title IV Funds on the Web application to calculate the Return of Title IV funds. This allows the designated financial aid staff member to enter data that is collected to perform appropriate procedures including documenting, supervisory review and proper calculations of the Title IV fund returns within the required time frames.

Using the Department of Education's Internet-based solution further ensures the calculations are performed according to the Department of Education's Student Assistance General Provisions.

Auditor Conclusion:

Based on follow-up testing performed during 2014, the finding is resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2011 - 008

Department of Human Resources (DHR)

Emergency Food Assistance Cluster (TEFAP)

CFDA No. 10.568 Emergency Food Assistance Program (Administrative Costs)

CFDA No. 10.569 Emergency Food Assistance Program (Food Commodities)

U.S. Department of Agriculture (USDA)

Compliance and Significant Deficiency over Accountability for Commodities

Condition:

During our audit, we noted that DHR does not have a consistent system of taking periodic inventory counts. We were unable to test the accountability of commodities as the required physical inventory records were not maintained by DHR.

Criteria:

Per 7 CFR sections 250.16(a)(6) and 250.15(c):

Accurate and complete records shall be maintained with respect to the receipt, distribution/use, and inventory of donated foods, including end products processed from donated foods. Failure to maintain records required by 7 CFR section 250.16 shall be considered prima facie evidence of improper distribution or loss of donated foods, and the agency, processor, or entity is liable for the value of the food or replacement of the food in kind.

Per 7 CFR section 250.14(e):

Distributing and recipient agencies shall take a physical inventory of all storage facilities. Such inventory shall be reconciled annually with the storage facility's inventory records and maintained on file by the agency which contracted with or maintained the storage facility. Corrective action shall be taken immediately on all deficiencies and inventory discrepancies and the results of the corrective action forwarded to the distributing agency.

Cause:

DHR did not have adequate procedures in place related to the accountability of commodities.

Effect:

The lack of tracking and maintaining records of the physical inventory allows the potential for abuse, including fraud and other defalcation, to exist and not be detected.

Questioned Costs:

Unknown.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2011 - 008 (continued)

Recommendation:

We recommend that physical counts of inventory should be performed at least annually. The results should be reviewed and reconciled to the accounting system. The perpetual inventory listing should be reconciled to the general ledger, with any large discrepancies investigated and explained. Any adjustments, along with the cost of goods sold entries, should be made and a procedure should be implemented to allow for these adjustments to occur on an annual basis.

Auditee Response and Corrective Action Plan:

DHR agrees that at one time, its oversight of commodity food inventories needed improvement.

The USDA reviewed this program in FY 2010, and found some shortcomings regarding the inventory process. Subsequent to June 2011, new processes were implemented by the DHR TEFAP staff.

The unit responsible for commodities and related contracts were previously located in the DHR Office of Grants Management (OGM). A reorganization of some modals within DHR took place effective February 28, 2012, and the OGM personnel responsible for TEFAP administration were transferred to the Family Investment Administration (FIA) Bureau of Policy, Reporting and Training. FIA management is currently reviewing all prior policies and procedures and will work with the TEFAP staff to ensure that the process approved by the USDA remains in place.

Auditee Update – October 2014

In Federal fiscal year 2013 and Federal fiscal year 2014 oversight of The Emergency Food Assistance Program (TEFAP) was transitioned to Maryland Food Bank (MFB) and Capital Area Food Bank (CAFB). MFB and CAFB now serve as Sponsoring Agencies responsible for managing and executing aspects of the program to include receipt, delivery and distribution of all foods, warehousing and inventory accountability.

MFB and CAFB are required to conduct 100 % annual monitoring reviews of each Eligible Recipient Agency (ERAs) contracted to administer TEFAP. In addition to conducting yearly reviews, both Sponsoring Agencies review monthly and/or quarterly ERA inventory reports to ensure product accountability. Discrepancies from the reviews are communicated to the related ERA.

As the State Administering Agency, DHR ensures compliance with the required regulation by performing monitoring activities as well as approval of all commodity requisition and selection made by the MFB and CAFB. Specifically, DHR remains compliant with FNS recommendation for accountability of commodities by conducting physical inventory counts at the MFB and CAFB during our annual storage facility reviews. During this review, a perpetual inventory list is reconciled to the physical count and outcomes are then reported to both CAFB and MFB. DHR also follows-up to ensure that material discrepancies, noted from our review, are adequately resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2011 - 008 (continued)

Auditee Update – October 2014 (continued)

In addition, DHR completes administrative and monitoring reviews of the 26 Eligible Recipient Agencies on a yearly basis, as required.

In Federal fiscal year 2015, DHR implemented a new measurement tool to further ensure accountability. The monthly report captures the receipt and distribution of inventory donated foods, net dollar value and loss/damage per jurisdiction.

Auditor Conclusion:

As physical inventories reconciled to the accounting records were not provided during fiscal year 2014, the finding is a repeat finding.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2010 - 010

Department of Human Resources (DHR)

Emergency Food Assistance Cluster

CFDA No. 10.568 Emergency Food Assistance Program (Administrative Costs)

CFDA No. 10.569 Emergency Food Assistance Program (Food Commodities)

U.S. Department of Agriculture (USDA)

Compliance and Significant Deficiency over Accountability for Commodities

Condition:

During our audit, we noted that DHR does not have a consistent system of taking periodic inventory counts. We were unable to test the accountability of commodities due to the required physical inventory records were not maintained by DHR.

Criteria:

Per 7 CFR sections 250.16(a)(6) and 250.15(c):

Accurate and complete records shall be maintained with respect to the receipt, distribution/use, and inventory of donated foods, including end products processed from donated foods. Failure to maintain records required by 7 CFR section 250.16 shall be considered prima facie evidence of improper distribution or loss of donated foods, and the agency, processor, or entity is liable for the value of the food or replacement of the food in kind.

Per 7 CFR section 250.14(e):

Distributing and recipient agencies shall take a physical inventory of all storage facilities. Such inventory shall be reconciled annually with the storage facility's inventory records and maintained on file by the agency which contracted with or maintained the storage facility. Corrective action shall be taken immediately on all deficiencies and inventory discrepancies and the results of the corrective action forwarded to the distributing agency.

Cause:

DHR did not have needed staff to perform functions related to the accountability of commodities.

Effect:

The lack of tracking and maintaining records of the physical inventory allows the potential for abuse, including fraud and other defalcation, to exist and not be detected.

Questioned Costs:

Unknown.

STATE OF MARYLAND

Schedule of Prior Year Findings and Questioned Costs Year Ended June 30, 2014

Finding 2010 - 010 (continued)

Recommendation:

We recommend that physical counts of inventory should be performed at least annually. The results should be reviewed and reconciled to the accounting system. The perpetual inventory listing should be reconciled to the general ledger, with any large discrepancies investigated and explained. Any adjustments, along with the cost of goods sold entries, should be made and a procedure should be implemented to allow for these adjustments to occur on an annual basis.

Auditee Response and Corrective Action Plan:

DHR concurs with the recommendation. The Office of Grants Management (OGM) is developing an automated and improved inventory system to replace the current outdated Excel spreadsheets. This system will reconcile the inventory to the general ledger. Reports will be reviewed monthly and any large discrepancies investigated and explained. Adjustments, along with the cost of goods, will be made and procedures implemented to allow for these adjustments to occur on an annual basis.

The Office of Grants Management will conduct physical inventories to correspond with both the State and the federal fiscal year. The inventories will occur on August 15th for the prior State fiscal year and November 15th for the prior federal fiscal year. Inventories will be conducted at all warehouses that contained Emergency Food Assistance Program (TEFAP) food at the end of the appropriate fiscal year.

Auditee Update – October 2014

In Federal fiscal year 2013 and Federal fiscal year 2014 oversight of The Emergency Food Assistance Program (TEFAP) was transitioned to Maryland Food Bank (MFB) and Capital Area Food Bank (CAFB). MFB and CAFB now serve as Sponsoring Agencies responsible for managing and executing aspects of the program to include receipt, delivery and distribution of all foods, warehousing and inventory accountability.

MFB and CAFB are required to conduct 100 % annual monitoring reviews of each Eligible Recipient Agency (ERAs) contracted to administer TEFAP. In addition to conducting yearly reviews, both Sponsoring Agencies review monthly and/or quarterly ERA inventory reports to ensure product accountability. Discrepancies from the reviews are communicated to the related ERA.

As the State Administering Agency, DHR ensures compliance with the required regulation by performing monitoring activities as well as approval of all commodity requisition and selection made by the MFB and CAFB. Specifically, DHR remains compliant with FNS recommendation for accountability of commodities by conducting physical inventory counts at the MFB and CAFB during our annual storage facility reviews. During this review, a perpetual inventory list is reconciled to the physical count and outcomes are then reported to both CAFB and MFB. DHR also follows-up to ensure that material discrepancies, noted from our review, are adequately resolved.

STATE OF MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2014**

Finding 2010 - 010 (continued)

Auditee Update – October 2014 (continued)

In addition, DHR completes administrative and monitoring reviews of the 26 Eligible Recipient Agencies on a yearly basis, as required.

In Federal fiscal year 2015, DHR implemented a new measurement tool to further ensure accountability. The monthly report captures the receipt and distribution of inventory donated foods, net dollar value and loss/damage per jurisdiction.

Auditor Conclusion:

As physical inventories reconciled to the accounting records were not provided during fiscal year 2014, the finding is a repeat finding.

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