

**STATE OF FLORIDA**  
**COMPLIANCE AND INTERNAL CONTROLS OVER**  
**FINANCIAL REPORTING AND FEDERAL AWARDS**

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In Accordance With OMB Circular A-133

For the Fiscal Year Ended  
June 30, 2008



STATE OF FLORIDA  
AUDITOR GENERAL  
DAVID W. MARTIN, CPA

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

Inquiries regarding financial statement-related findings should be addressed directly to Kathryn Walker, CPA, Audit Manager, by e-mail at [kathrynwalker@aud.state.fl.us](mailto:kathrynwalker@aud.state.fl.us) or by telephone at (850) 487-9085. Inquiries regarding Federal awards findings for State universities or colleges should be addressed directly to James R. Stultz, CPA, Audit Manager, by e-mail at [jimstultz@aud.state.fl.us](mailto:jimstultz@aud.state.fl.us), or by telephone at (850) 922-2263. Please address all other inquiries regarding this report to Brenda K. Pelham, CPA, Audit Manager, by e-mail at [brendapelham@aud.state.fl.us](mailto:brendapelham@aud.state.fl.us) or by telephone at (850) 487-9060.

This report and other audit reports prepared by the Auditor General can be obtained on our Web site at [www.myflorida.com/audgen](http://www.myflorida.com/audgen); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

**STATE OF FLORIDA  
COMPLIANCE AND INTERNAL CONTROLS OVER  
FINANCIAL REPORTING AND FEDERAL AWARDS**

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**EXECUTIVE SUMMARY**

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**Summary of Report on Financial Statements**

The State of Florida's basic financial statements, as of and for the fiscal year ended June 30, 2008, were fairly presented in all material respects, in accordance with accounting principles generally accepted in the United States. Our report is included in the Florida Comprehensive Annual Financial Report for fiscal year ended June 30, 2008, issued by the Chief Financial Officer.

**Summary of Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of the Financial Statements Performed  
in Accordance with Government Auditing Standards**

**Internal Control Over Financial Reporting**

We noted the following matters involving the internal control over financial reporting and its operation that we consider to be significant deficiencies:

- For one or more financial statement accounts, the **Departments of Revenue and Management Services** and the **Agency for Health Care Administration** did not accurately report or classify assets, net assets, revenues, expenses, or liabilities in accordance with generally accepted accounting principles. (Finding Nos. FS 08-001, FS 08-002, FS 08-003, and FS 08-004)

We believe that none of the significant deficiencies described above is a material weakness.

We noted additional matters that were reported to management but that we did not consider to be significant deficiencies or material weaknesses.

- The **Department of Financial Services** used a standard form to obtain from State entities the information needed to compile amounts disclosed in Note 2 regarding deposits and related custodial credit risk. These forms did not require the entities to certify compliance with Chapter 280, Florida Statutes, which governs the collateralization of State deposits. (Finding No. FS 08-005)
- The **Department of Financial Services** did not have effective IT general controls in place to ensure the integrity and reliability of data relating to Special Disability Trust Fund claims. (Finding No. FS 08-006)
- The **Department of Management Services** used a long-term investment rate assumption in determining the actuarial accrued liability for the Health Insurance Subsidy Pension plan that was not commensurate with the nature and mix of current and expected plan investments. The actuarial accrued liability is reported as required supplementary information to the basic financial statements. (Finding No. FS 08-007)

**Compliance**

The results of our audit of the State's basic financial statements disclosed no instances of noncompliance that are required to be reported by *Government Auditing Standards*.

**Summary of Report on Compliance with Requirements Applicable to Each Major Program  
and on Internal Control over Compliance in Accordance with OMB Circular A-133**

During the 2007-08 fiscal year, State agencies, universities, and community colleges administered over 540 Federal awards programs or program clusters. Expenditures for the 39 major programs totaled \$21.5 billion, or approximately 88 percent of the total expenditures of \$24.5 billion, as reported on the Supplementary Schedule of Expenditures of Federal Awards.

**Compliance**

We were unable to express and did not express an opinion on the **Division of Emergency Management's** compliance with requirements applicable to the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program. Because of internal control deficiencies noted in the Florida Public Assistance System,

the lack of sufficient documentation supporting the allowability of payments to subgrantees, and the failure to timely complete final inspections on completed projects, it was not practicable in the circumstances for us to obtain audit evidence sufficient to the expression of an opinion. (Finding Nos. FA 08-080, FA 08-081, and FA 08-086)

The State of Florida complied, in all material respects, with the compliance requirements applicable to each of its other major Federal awards programs, except as described in the following instances, which resulted in opinion qualifications:

- The **Department of Education** set aside moneys for Immigrant Children and Youth under the English Language Acquisition Grants Program, but did not make such moneys available to subgrantees during the 2007-08 fiscal year. (Finding No. FA 08-026)
- The **Department of Children and Family Services** did not document, in a significant number of instances, the eligibility of clients to receive benefits under the Medicaid Cluster and the performance of required data exchanges. Additionally, data exchange processes were not timely performed. (Finding No. FA 08-058)
- The **Division of Emergency Management** reimbursed subgrantees without adequate documentation under the Homeland Security Cluster and the Hazard Mitigation Grant Program. (Finding Nos. FA 08-068, FA 08-087 and FA 08-088)

The results of our audit also disclosed other instances of noncompliance pertaining to various programs administered by **various State agencies, universities, and community colleges**. Some of the instances of noncompliance resulted in questioned costs subject to disallowance by the grantor agency. The compliance requirements involved primarily those pertaining to Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Eligibility; and Matching, Level of Effort, and Earmarking. Other instances of noncompliance pertained to various compliance requirements including, but not limited to, Subrecipient Monitoring and Special Tests and Provisions. Instances of noncompliance are described in the Schedule of Findings and Questioned Costs.

#### Internal Control Over Compliance

We noted numerous matters at **various State agencies, universities, and community colleges** involving internal control over compliance and its operation that we consider to be significant deficiencies. Significant deficiencies are described in the Schedule of Findings and Questioned Costs and pertained to various compliance requirements including, but not limited to, Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, Subrecipient Monitoring, and Special Tests and Provisions. The following significant deficiencies were considered material weaknesses:

- The **Department of Community Affairs** did not have appropriate controls in place regarding user access and system documentation for systems used to process payments and administer the Community Development Block Grant Program (Finding No. FA 08-002) and the Low-Income Home Energy Assistance Program (Finding No. FA 08-046).
- The **Department of Revenue** did not ensure adequate oversight and monitoring of State Disbursement Unit collection and disbursement of child support payments and the reporting thereof. Additionally, the **Department of Revenue** did not always request the necessary information from the responsible parents to determine whether health insurance was reasonably available or take enforcement action to secure medical support for Child Support Enforcement Program clients. (Finding Nos. FA 08-039 and FA 08-042)
- The **Division of Emergency Management** did not have appropriate general and application controls in place for the Florida Public Assistance System used in administering the Disaster Grants - Public Assistance (Presidentially Declared Disasters) Program. (Finding No. FA 08-080)
- The **Division of Emergency Management** did not maintain adequate documentation to demonstrate whether payments to subgrantees for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program were for allowable costs incurred during the authorized project period. (Finding No. FA 08-081)

- The **Division of Emergency Management** had not implemented procedures to provide for the timely completion of final inspections of large projects for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program. (Finding No. FA 08-086)
- The **Division of Emergency Management** did not have appropriate controls in place regarding user access and system documentation for the system used to administer the Hazard Mitigation Grant Program. (Finding No. FA 08-089)
- The instances described in the previous paragraphs on compliance for the English Language Acquisition Grants Program (Finding No. FA 08-026); Medicaid Cluster (Finding No. FA 08-058); Homeland Security Cluster (Finding No. FA 08-068); and Hazard Mitigation Grant Program (Finding Nos. FA 08-087 and FA 08-088) also involved material weaknesses in internal control.

#### Schedule of Expenditures of Federal Awards

The State's Supplementary Schedule of Expenditures of Federal Awards (SEFA) is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the State's basic financial statements. The State's SEFA does not include the State's blended component units, Workforce Florida, Inc., and Scripps Florida Funding Corporation; discretely presented component units of the State's universities and community colleges; or discretely presented component units other than the State's universities and community colleges. Information on the schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

#### Scope

As a condition of receiving Federal funds, the U.S. Office of Management and Budget (OMB) requires, as described in OMB Circular A-133, an audit of the State's financial statements and major Federal awards programs. Pursuant to Section 11.45, Florida Statutes, we conducted an audit of the basic financial statements of the State of Florida as of and for the fiscal year ended June 30, 2008. We also subjected supplementary information contained in the State's Comprehensive Annual Financial Report and the State's Schedule of Expenditures of Federal Awards to auditing procedures applied in our audit of the basic financial statements. Additionally, we audited the State's compliance with governing requirements for the Federal awards programs or program clusters that we identified as major programs for the fiscal year ended June 30, 2008.

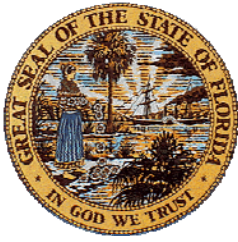
#### Objectives

The objectives of our audit were:

- The expression of opinions concerning whether the State's basic financial statements were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States.
- The expression of an opinion concerning whether the State's Schedule of Expenditures of Federal Awards is presented fairly, in all material respects, in relation to the State's basic financial statements taken as a whole.
- To obtain an understanding of the internal control over compliance for each major Federal program, assess the control risk, and perform tests of controls, unless the controls were deemed to be ineffective.
- The expression of opinions concerning whether the State complied, in all material respects, with laws, regulations, and the provisions of contracts or grant agreements pertaining to major Federal awards that may have a direct and material effect applicable to each of the major Federal programs.

### Methodology

We conducted our audit in accordance with auditing standards generally accepted in the United States; applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and related guidance provided by OMB Circular A-133.



DAVID W. MARTIN, CPA  
AUDITOR GENERAL

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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida as of and for the fiscal year ended June 30, 2008, which collectively comprise the State of Florida's basic financial statements and have issued our report thereon dated February 26, 2009. Our report was modified to include a reference to other auditors, the State's reclassification of certain employee health and disability funds and the Prepaid College Foundation, issues with respect to the measurement of required supplementary information relating to the Retiree Health Insurance Subsidy Program's actuarial accrued liability and unfunded actuarial accrued liability, and the State's implementation of Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*; and No. 50, *Pension Disclosures*. 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. Other auditors audited the financial statements of the Prepaid College Program Fund, Florida Turnpike Fund, Hurricane Catastrophe Fund, College Savings Plan, certain discretely presented component units, and the Legislature, as described in our report on the State of Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in finding Nos. FS 08-001 through FS 08-004 in the **FINANCIAL STATEMENTS FINDINGS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described in the **FINANCIAL STATEMENTS FINDINGS** section of the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** is a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State of Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, administrative rules, 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 also noted additional matters involving the State's internal control over financial reporting, that we reported to management and that are described in findings Nos. FS 08-005 through FS 08-007 in the **FINANCIAL STATEMENTS FINDINGS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

State agency responses to each of the findings identified in our audit are included in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. We did not audit these responses and, accordingly, we express no opinion on them.

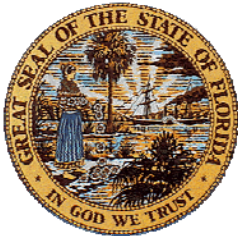
Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, the Executive Office of the Governor, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA  
February 26, 2009

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DAVID W. MARTIN, CPA  
AUDITOR GENERAL

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

### Compliance

We have audited the compliance of the State of Florida with the types of compliance requirements described in the United States Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2008. The State of Florida's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the management of the State of Florida. Our responsibility is to express an opinion on the State of Florida's compliance based on our audit.

The State of Florida's basic financial statements include the operations of component units that received Federal awards during the fiscal year ended June 30, 2008, that are not included in the State's supplementary Schedule of Expenditures of Federal Awards. Our audit of Federal awards, as described below, did not include the operations of the blended component units, Workforce Florida, Inc., and Scripps Florida Funding Corporation, or discretely presented component units of the State agencies, universities, and community colleges. As applicable, Federal awards administered by these component units are the subjects of audits completed by other auditors. Our audit, as described below, also did not include the operations of the Legislature.

Except as discussed in the following paragraph, 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 of Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Except as discussed in the following paragraph, we believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State's compliance with those requirements.

As indicated in finding Nos. FA 08-080, FA 08-081, and FA 08-086 in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**, because of internal control deficiencies noted in the Florida Public Assistance System, the lack of sufficient documentation supporting the allowability of payments to subgrantees, and the failure to timely complete final inspections on completed projects, it was not practicable in the circumstances for us to obtain audit evidence sufficient to the expression of an opinion on the compliance of the State of Florida with the requirements applicable to the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program. Consequently, we are unable to express, and we do not express, an opinion thereon. Our audit did disclose specific instances of noncompliance, as described in finding Nos. FA 08-082 and FA 08-083.

As described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**, the State of Florida did not comply with requirements applicable to the Federal Programs listed below. Compliance with such requirements is necessary, in our opinion, for the State of Florida to comply with the requirements applicable to the respective Program.

Finding No. FA 08-	Major Program	Types of Compliance Requirements Not Complied With
026	English Language Acquisition Grants (CFDA No. 84.365)	Matching, Level of Effort, and Earmarking
058	Medicaid Cluster (CFDA Nos. 93.775, 93.776, 93.777, and 93.778)	Eligibility
068	Homeland Security Cluster (CFDA Nos. 97.004 and 97.067)	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
087, 088	Hazard Mitigation Grant (CFDA No. 97.039)	Activities Allowed or Unallowed and Allowable Costs/Cost Principles

In our opinion, except for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program, on which we are unable to express, and do not express, an opinion, and except for the noncompliance described in the preceding paragraph, the State of Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2008. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying Schedule of Findings and Questioned Costs as finding Nos. FA 08-:

001	003 and 004	013 and 014	018
022	024 and 025	027	033
037	041 through 044	047	051
055 and 056	059 and 060	062 through 065	067
069	071 and 072	075	077
085	090	092 through 104	106 through 112

### Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the following finding Nos. of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** to be significant deficiencies:

001 through 019	020	022 through 026	028 through 032
035 and 036	039	041 through 043	045 through 052
055 and 056	058 through 061	064	066 through 069
071 through 081	083	086 through 091	099
106 through 112			

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**, we consider the following items to be material weaknesses.

Finding No. FA 08-	Major Program	Compliance Requirement
002	Community Development Block Grants/State's Program (CFDA No. 14.228)	Allowable Costs/Cost Principles
026	English Language Acquisition Grants (CFDA No. 84.365)	Matching, Level of Effort, and Earmarking
039, 042	Child Support Enforcement (CFDA No. 93.563)	Reporting and Special Tests and Provisions
046	Low-Income Home Energy Assistance (CFDA No. 93.568)	Allowable Costs/Cost Principles; Matching, Level of Effort, and Earmarking; and Reporting
058	Medicaid Cluster (CFDA Nos. 93.775, 93.776, 93.777, and 93.778)	Eligibility
068	Homeland Security Cluster (CFDA Nos. 97.004 and 97.067)	Activities Allowed or Unallowed and Allowable Costs/Cost Principles

080, 081, & 086	Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036)	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Matching, Level of Effort, and Earmarking; Subrecipient Monitoring; and Special Tests and Provisions
087, 088, & 089	Hazard Mitigation Grant (CFDA No. 97.039)	Activities Allowed or Unallowed and Allowable Costs/Cost Principles

### Schedule of Expenditures of Federal Awards

We have audited the basic 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 Florida as of and for the year ended June 30, 2008, and have issued our Independent Auditor's Report thereon dated February 26, 2009. Our Independent Auditor's Report was modified to include a reference to other auditors, the State's reclassification of certain employee health and disability funds and the Prepaid College Foundation, issues with respect to the measurement of required supplementary information relating to the Retiree Health Insurance Subsidy Program's actuarial accrued liability and unfunded actuarial accrued liability, and the State's implementation of Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*; and No. 50, *Pension Disclosures*. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Florida's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The State agencies, universities, and community colleges' responses to the findings identified in our audit are described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. We did not audit these responses and, accordingly, we express no opinion on them.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, the Executive Office of the Governor, applicable management, and Workforce Florida, Inc., and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA  
Auditor General  
February 26, 2009

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## SUMMARY OF AUDITOR'S RESULTS

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**Financial Statements**

Type of auditor's report issued:

Unqualified on all opinion units

Internal control over financial reporting:

Material weakness identified? No

Significant deficiencies identified that  
are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified? Yes

Significant deficiencies identified that  
are not considered to be material weaknesses? Yes

Type of report the auditor issued on compliance for major programs:

Unqualified for all major programs, except for the **Disaster Grants -  
Public Assistance (Presidentially Declared Disasters) (97.036)**  
for which we disclaimed an opinion and the following programs  
which were qualified:**English Language Acquisition Grants (84.365)**  
**Medicaid Cluster (93.775, 93.776, 93.777, and 93.778)**  
**Homeland Security Cluster (97.004 and 97.067)**  
**Hazard Mitigation Grant (97.039)**Any audit findings disclosed that are required to be reported  
in accordance with Section .510(a) of OMB Circular A-133? YesDollar threshold used to distinguish between  
Type A and Type B programs: \$36,758,465.51

Auditee qualified as low-risk auditee? No

**LISTING OF MAJOR PROGRAMS**  
**FISCAL YEAR ENDED JUNE 30, 2008**

<b>Name of Federal Program or Cluster (1)</b>	<b>CFDA Number(s)</b>	<b>Total Expenditures</b>
Plant and Animal Disease, Pest Control, and Animal Care	10.025	\$ 13,000,840
Food Stamp Cluster	10.551 & 10.561	1,741,412,161
Child and Adult Care Food Program	10.558	135,994,134
Community Development Block Grants/State's Program	14.228	96,364,281
Employment Service Cluster	17.207, 17.801, & 17.804	46,788,096
Unemployment Insurance	17.225	1,557,085,569
Workforce Investment Act Cluster	17.258, 17.259, & 17.260	93,726,883
Highway Planning and Construction Cluster	20.205	2,065,565,263
Adult Education – State Grant Program	84.002	41,716,236
Title I Grants to Local Educational Agencies	84.010	628,921,279
Special Education Cluster	84.027 & 84.173	608,828,667
Career and Technical Education – Basic Grants to States	84.048	72,055,773
Rehabilitation Services – Vocational Rehabilitation Grants to States	84.126	166,456,177
Special Education – Grants for Infants and Families	84.181	20,276,283
Twenty-First Century Community Learning Centers	84.287	42,670,701
Reading First State Grants	84.357	52,698,438
English Language Acquisition Grants	84.365	52,676,654
Improving Teacher Quality State Grants	84.367	132,801,845
Aging Cluster	93.044, 93.045, & 93.053	78,383,366
Public Health Emergency Preparedness	93.069	33,360,870
Immunization Grants	93.268	162,436,614
Promoting Safe and Stable Families	93.556	18,264,392
Temporary Assistance to Needy Families	93.558	475,183,524
Child Support Enforcement	93.563	219,122,674
Refugee and Entrant Assistance – State Administered Programs	93.566	81,532,400
Low-Income Home Energy Assistance	93.568	32,460,968
CCDF (Child Care Development Fund) Cluster	93.575 & 93.596	383,796,717
Foster Care – Title IV-E	93.658	161,844,407
Adoption Assistance	93.659	69,878,000
Social Services Block Grant	93.667	185,710,783
State Children's Insurance Program	93.767	312,246,228
Medicaid Cluster	93.775, 93.776, 93.777, & 93.778	8,633,119,776
National Bioterrorism Hospital Preparedness Program	93.889	20,586,807
HIV Care Formula Grants	93.917	120,652,005
Homeland Security Cluster	97.004 & 97.067	58,768,607
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	526,491,069
Hazard Mitigation Grant	97.039	76,054,927
Student Financial Assistance Cluster (Including CFDA No. 84.032 Lenders)	(2)	1,781,667,363
Research and Development Cluster	(2)	509,891,438
<b>Total</b>		<b>\$ 21,510,492,215</b>

Notes: (1) The Schedule of Expenditures of Federal Awards identifies the programs included within the respective clusters.  
(2) The Schedule of Expenditures of Federal Awards identifies the various CFDA numbers included within the respective clusters.

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**FINANCIAL STATEMENTS FINDINGS**

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Our audit of the State of Florida's basic financial statements for the fiscal year ended June 30, 2008, disclosed certain matters that we communicated in the **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. These findings are included in this section of the report as finding Nos. FS 08-001 through FS 08-004 and are categorized as significant deficiencies 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.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A *control deficiency* 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 misstatements on a timely basis.

Our audit also disclosed three additional matters, included in this section of the report as findings Nos. FS 08-005 through FS 08-007, involving the State's internal control over financial reporting that we have categorized as additional matters.

**SIGNIFICANT DEFICIENCY****NET RECEIVABLES**

<b>Finding Number</b>	<b>FS 08-001</b>
<b>Opinion Unit</b>	General Fund
<b>Financial Statements</b>	Net Receivables
<b>Account Title</b>	
<b>SW Fund Number</b>	100000
<b>State Agency</b>	<b>Florida Department of Revenue (FDOR)</b>
<b>OLO-GF-SF-FID</b>	00-10-1-00001
<b>GL Code(s)</b>	152, 611
<b>Adjustment Amount</b>	\$121,544,497.45
<b>Finding</b>	FDOR procedures did not ensure that taxes receivable and tax revenue were correctly recorded.
<b>Criteria</b>	In accordance with generally accepted accounting principles, derived tax revenues (i.e., sales tax, corporate tax, etc.) are recognizable when the underlying exchange occurs, subject to availability criterion. Chief Financial Officer procedures provide that taxes collected on behalf of the State or were payable to the State on or before June 30, and were received by July 31 are to be recorded as taxes receivable, net of estimated refunds.
<b>Condition</b>	FDOR calculated tax revenue and net taxes receivable based upon amounts collected during July 2008. However, our tests disclosed errors in the calculation that resulted in the understatement of tax revenue and net taxes receivable as of and for the fiscal year ended June 30, 2008.
<b>Cause</b>	FDOR controls were not sufficient to detect errors made in the calculation of taxes receivable and tax revenue. Although the calculation was largely based on June 2008 taxes collected in July 2008, some collections were not included and other collections were included twice. FDOR close-out procedures did not provide for supervisory review of the calculations prior to their being recorded.
<b>Effect</b>	Prior to adjustment, tax revenue and net receivables were understated by \$121,544,497.45.
<b>Recommendation</b>	We recommend that FDOR establish review procedures to ensure that tax revenue and net taxes receivable are appropriately recorded.
<b>State Agency Response and Corrective Action Plan</b>	We have confirmed that the sales tax receivable was understated. We have updated our review procedures to include a 2nd level of review that incorporates a variance analysis between fiscal years of the recorded statewide financial statement payable and receivable transactions. In order to allow for the maximum amount of time to prepare and review these transactions, we have asked our Administrative Services Program to request the last possible year end closing date from the Department of Financial Services.
<b>Estimated Corrective Action Date</b>	February 19, 2009
<b>Agency Contact and Telephone Number</b>	Dave Ansley (850) 413-8551

## SIGNIFICANT DEFICIENCY

## CLAIMS LIABILITIES AND ACCOUNTS RECEIVABLE

<b>Finding Number</b>	<b>FS 08-002</b>
<b>Opinion Unit</b>	Governmental Activities; Governmental: Health and Family Services
<b>Financial Statements</b>	Long-term liabilities; Expenses; Receivable, net; and Deferred revenues
<b>Account Title</b>	
<b>SW Fund Number</b>	Various
<b>State Agency</b>	<b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>OLO-GF-SF-FID</b>	Various
<b>GL Code(s)</b>	314, 711, 164, and 389
<b>Adjustment Amount</b>	\$310,181,847; \$176,276,344
<b>Finding</b>	In the Governmental Activities financial statements, the FAHCA, Bureau of Finance and Accounting (Bureau), did not record an estimate of incurred but not reported (IBNR) Medicaid claims liabilities and its corresponding expenses. Additionally, the Bureau did not record a receivable and deferred revenue in its governmental fund financial statements to represent its claim on Federal financial resources related to the IBNR amounts.
<b>Criteria</b>	Unmatured long-term indebtedness, including IBNR Medicaid claims liabilities, should be reported as long-term liabilities in the government-wide financial statements. The State of Florida's policy is to report such claims at the discounted present value of estimated future cash payments. In addition, a receivable and deferred revenue should be recorded in the appropriate governmental fund to represent the State's claim on Federal resources that will be used to finance the Federal portion of expenses related to the IBNR amounts.
<b>Condition</b>	The Bureau had not recorded a long-term liability and the related expenses for IBNR Medicaid claims as of and for the fiscal year ending June 30, 2008. Additionally, the Bureau had not recorded receivables and deferred revenues equal to the amounts due from Federal resources.
<b>Cause</b>	The Bureau did not have fiscal year close-out procedures to estimate and record long-term indebtedness relating to IBNR Medicaid claims, including the corresponding expenses, nor did it have procedures to recognize and record receivables and deferred revenues representing the Federal resources due related to the IBNR amounts.
<b>Effect</b>	Prior to audit adjustments, claims liabilities and expenses reported in the government-wide financial statements were understated by approximately \$310 million. Accounts receivable and deferred revenues in the governmental fund financial statements were understated by approximately \$176 million, and accounts receivable and revenues in the government-wide financial statements were understated by approximately \$176 million.
<b>Recommendation</b>	We recommend that the Bureau establish procedures to 1) estimate and record the long-term indebtedness relating to IBNR Medicaid claims liabilities, including the corresponding expenses; and 2) record the appropriate receivables and deferred revenues in recognition of its claim on Federal resources related to the IBNR claims.
<b>State Agency Response and Corrective Action Plan</b>	We will establish a procedure to estimate and record the long-term indebtedness relating to IBNR Medicaid claims and to record the receivable and deferred revenue relative to the Federal resources.
<b>Estimated Corrective Action Date</b>	July/August 2009

**Agency Contact and  
Telephone Number**

Paula Shirley  
(850) 922-8452

**SIGNIFICANT DEFICIENCY****NET RECEIVABLES**

<b>Finding Number</b>	<b>FS 08-003</b>
<b>Opinion Unit</b>	Governmental Fund: Health and Family Services
<b>Financial Statements</b>	Accounts Receivable Uncollectible Allowance
<b>Account Title</b>	
<b>SW Fund Number</b>	202400
<b>State Agency</b>	<b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>OLO-GF-SF-FID</b>	680000-20-2-339094
<b>GL Code(s)</b>	159 and 711
<b>Adjustment Amount</b>	\$17,250,573
<b>Finding</b>	The FAHCA, Bureau of Finance and Accounting (Bureau), did not record an uncollectible allowance related to accounts receivable for drug rebates.
<b>Criteria</b>	Generally accepted accounting principles require that, for governmental funds, all receivables should be reported net of estimated uncollectible amounts.
<b>Condition</b>	<p>The Bureau had year-end procedures to record the uncollectible allowances for receivables. However, for receivables related to drug rebates for the fiscal year ending June 30, 2008, an uncollectible allowance was not recorded.</p> <p>In accordance with generally accepted accounting principles, governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available to finance current expenditures. Receivables that are determined to be uncollectible would not be available to finance current expenditures and, therefore, uncollectible allowances should be recorded to reduce receivables and related revenues. At FAHCA, drug rebates are recorded throughout the fiscal year as refund revenues and, at fiscal year end, these rebates are reclassified to reduce expenditures.</p>
<b>Cause</b>	The Bureau did not have sufficient supervisory review procedures to ensure that the fiscal year close-out entries relating to net receivables were properly recorded.
<b>Effect</b>	Prior to audit adjustment, net receivables were overstated and expenditures reported in the Governmental Fund financial statements were understated by approximately \$17 million.
<b>Recommendation</b>	We recommend that the Bureau ensure that fiscal year-end procedures are performed to appropriately record all accounts receivable uncollectible allowances.
<b>State Agency Response and Corrective Action Plan</b>	Management will more closely review the accounts receivable uncollectible allowances during the financial statement preparations.
<b>Estimated Corrective Action Date</b>	July/August 2009
<b>Agency Contact and Telephone Number</b>	Paula Shirley (850) 922-8452

**SIGNIFICANT DEFICIENCY****INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT**

<b>Finding Number</b>	<b>FS 08-004</b>
<b>Opinion Unit</b>	Aggregate Remaining Fund Information
<b>Financial Statements</b>	Net Assets: Invested in capital assets, net of related debt and Unrestricted Net Assets
<b>Account Title(s)</b>	
<b>SW Fund Number</b>	609999 (Internal Service Funds)
<b>State Agency</b>	<b>Florida Department of Management Services (FDMS)</b>
<b>OLO-GF-SF-FID</b>	720000
<b>GL Code(s)</b>	536 and 539
<b>Adjustment Amount</b>	\$93,113,323; \$32,422,501
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FS 07-008
<b>Finding</b>	As previously reported, FDMS did not properly classify net assets in accordance with generally accepted accounting principles (GAAP).
<b>Criteria</b>	Codification of Governmental Accounting and Financial Reporting Standards Section 1800.133 provides that a calculation is required to determine the component of net assets consisting of Invested in capital assets, net of related debt. The capital asset accounts, net of accumulated depreciation, should be reduced by outstanding debt obligations, i.e., bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets. Additionally, if there are significant unspent debt proceeds at year-end, the portion attributable to the capital asset accounts should be included in the account Invested in capital assets, net of related debt, since its use is restricted.
<b>Condition</b>	<p>For one fund, FDMS did not properly consider the existence of significant unspent related debt proceeds when calculating Invested in capital assets, net of related debt. As a result, the account Invested in capital assets, net of related debt, was understated, and the Unrestricted account was overstated by \$93,113,323.</p> <p>For another fund, FDMS incorrectly calculated and adjusted net assets, resulting in an overstatement of Invested in capital assets, net of related debt, and an understatement of Unrestricted net assets in the amount of \$32,422,501.</p> <p>The net effect of the above adjustments resulted in an understatement of Invested in capital assets, net of related debt, and an overstatement of Unrestricted net assets of \$60,690,821.</p>
<b>Cause</b>	The application of FDMS procedures did not reduce the debt attributable to unspent proceeds, contrary to GAAP requirements.
<b>Effect</b>	The overstatement of the Unrestricted account may indicate that funds were available for spending when they were not.
<b>Recommendation</b>	We again recommend that FDMS ensure that the calculation of Invested in capital assets, net of related debt, includes the impact of significant unspent related debt proceeds.
<b>State Agency Response and Corrective Action Plan</b>	We agree with the Auditor General's Office that the Net Assets Invested in Capital Assets, Net of Related Debt (536XX general ledger code) was misstated. However the classification error does not misstate the total fund equity. Policies and procedures have been developed to ensure that the funds are correctly reported in next years financial statements.
<b>Estimated Corrective Action Date</b>	Classification of the funds will be processed in the year-end closeout of the financial statements. Year-end closeout will be accomplished by August 31, 2009.
<b>Agency Contact and Telephone Number</b>	Mitchell Clark (850) 487-9888

## ADDITIONAL MATTERS

### CUSTODIAL CREDIT RISK

<b>Finding Number</b>	<b>FS 08-005</b>
<b>Opinion Unit</b>	Various
<b>Financial Statements</b>	Cash and Cash Equivalents
<b>Account Title</b>	
<b>SW Fund Number</b>	Various
<b>State Agency</b>	<b>Florida Department of Financial Services (FDFS)</b>
<b>OLO-GF-SF-FID</b>	Various
<b>GL Code(s)</b>	112, 113, 222, and 223
<b>Finding</b>	Controls were not sufficient to reasonably ensure the accuracy and completeness of note disclosures relating to the custodial credit risk associated with deposits of cash and cash equivalents.
<b>Criteria</b>	<p>GASB Codification of Governmental Accounting and Financial Reporting Standards Section C20.107 requires certain disclosures regarding custodial credit risk.</p> <p>The Florida Security for Public Deposits Act (Chapter 280, Florida Statutes) describes procedures for ensuring the protection of public deposits. Section 280.05, Florida Statutes, outlines the powers and duties of FDFS relative to the Qualified Public Depository (QPD) Program. Section 280.05(16)(c), Florida Statutes, addresses the processing of QPD and public depositor annual reports. Section 280.17, Florida Statutes, outlines several requirements that must be met by public depositors participating in the QPD Program, including, but not limited to, the submission of an annual report to FDFS regarding the status of public deposits. In accordance with the Statutes, if a public depositor does not comply with Section 280.17, Florida Statutes, for each public deposit account, the protection from loss provided by the QPD Program is not effective.</p>
<b>Condition</b>	In addition to administering the QPD Program, FDFS was also responsible for preparing and publishing the State's Comprehensive Annual Financial Report, including the applicable note disclosures. In doing so, FDFS used a standard form to obtain from State entities the information needed to compile amounts disclosed in Note 2 regarding deposits and the related custodial credit risk. Our audit tests disclosed that for some deposits reported as collateralized in Note 2, Public Depositor annual reports had not been received by FDFS.
<b>Cause</b>	We noted that the forms used to support the note disclosure did not require entities to certify compliance with Chapter 280, Florida Statutes, and confirm the submission of the annual reports.
<b>Effect</b>	Disclosures related to deposits in Note 2 of the financial statements may understate the custodial credit risk of State deposits. Additionally, the absence of QPD Program protection could lead to the loss of public deposits in the event of a depository failure.
<b>Recommendation</b>	We recommend that FDFS coordinate efforts with the State entities to ensure that financial statement disclosures regarding custodial credit risk are accurate and complete and that annual reports are filed in compliance with Chapter 280, Florida Statutes.
<b>State Agency Response and Corrective Action Plan</b>	Concur. We will revise the forms used to support the note disclosure for deposits to require entities to certify compliance with Chapter 280, Florida Statutes, and to confirm that they are in possession of the required Public Deposit Identification and Acknowledgement (J1-1295) and have filed the required Public Depositor Annual Report (J1-1009).

**Estimated Corrective  
Action Date**

June 30, 2009

**Agency Contact and  
Telephone Number**Paul Reynolds, Financial Administrator  
Statewide Financial Reporting Section  
(850) 413-5687Robert E. Clift, Inspector General  
(850) 413-4960

## ADDITIONAL MATTERS

### SPECIAL DISABILITY TRUST FUND

<b>Finding Number</b>	<b>FS 08-006</b>
<b>Opinion Unit</b>	Non-Major Governmental Funds
<b>SW Fund Number</b>	209999 and 900000
<b>State Agency</b>	<b>Florida Department of Financial Services (FDFS)</b>
<b>OLO-GF-SF-FID</b>	43-20-2-798001 and 43-90-9-400001
<b>GL Codes</b>	315, 498, and 711
<b>Finding</b>	The FDFS did not have effective IT general controls in place to ensure the integrity and reliability of data relating to Special Disability Trust Fund (SDTF) claims.
<b>Criteria</b>	FDFS is charged with the oversight responsibility for the Special Disability Trust Fund Database (SDTFD). As such, FDFS was responsible for the implementation and operation of effective controls. Rule 60DD-2, Florida Information Resource Security Policies and Standards, Florida Administrative Code, sets forth policies for the State's information resource security program.
<b>Condition</b>	SDTFD information is used by FDFS to manage Special Disability Trust Fund claims and accumulate information used to report Trust Fund accounts and balances. Trust Fund expenditures for claims for the 2007-08 fiscal year totaled \$92,704,894. Our review of the IT general controls in place over SDTF claims during the 2007-08 fiscal year disclosed weaknesses related to the separation of IT functions, physical access, systems development and maintenance, and access control. Specific details of these matters are not disclosed in this report to avoid the possibility of compromising SDTFD claims payment information. However, the appropriate FDFS personnel have been notified of these issues.
<b>Cause</b>	In some instances, SDTFD preventative and detective control procedures were not appropriately designed and in operation.
<b>Effect</b>	Without adequate preventative and detective controls in place, the risk is increased that SDTF claim expenditures and associated liabilities may be subject to misstatement.
<b>Recommendation</b>	We recommend FDFS strengthen the applicable IT general controls.
<b>State Agency Response and Corrective Action Plan</b>	The Divisions of Workers' Compensation and Information Systems of the Department of Financial Services concur in the existence and seriousness of the conditions identified by the Auditor General's staff in their review of the Special Disability Trust Fund Database. The divisions were aware of many of the conditions noted and were already proceeding with changes to independently address many of them. The respective divisions have begun a specific collaborative effort to address each of the conditions. Those conditions that are apt to be resolved by immediate action have already been addressed. Conditions that require the development of solutions have been identified, and progress has begun in the implementation of corrective measures. Specific details of the Department's corrective plan are not divulged here to protect the database from possible compromise. In each condition identified by the Auditor General's staff, the IT general controls are being strengthened, consistent with applicable law and standards.
<b>Estimated Corrective Action Date</b>	September 1, 2009

**Agency Contact and  
Telephone Number**

Eric Lloyd, Manager, Special Disability Trust Fund  
(850) 413-1689

Sharon Jackson, Info Tech Business Consultant Manager-SES  
Division of Information Systems  
(850) 413-1886

Robert E. Clift, Inspector General  
(850) 413-4960

**ADDITIONAL MATTERS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION**

<b>Finding Number</b>	<b>FS 08-007</b>
<b>SW Fund Number</b>	737204
<b>State Agency</b>	<b>Florida Department of Management Services (FDMS)</b>
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FS 07-012
<b>Finding</b>	As previously reported, the investment return assumption (discount rate) of 7.75 percent (long-term rate) used by FDMS in determining the actuarial accrued liability for the Health Insurance Subsidy (HIS) plan, was not commensurate with the nature and mix of current and expected plan investments. Plan investments were invested to yield short-term rates. The use of a short-term, rather than long-term, rate may have resulted in the calculation of a significantly larger estimated actuarial accrued liability.
<b>Criteria</b>	Codification of Governmental Accounting and Financial Reporting Standards, Section Pe5, <i>Pension Plans - Defined Benefit</i> establishes reporting requirements for pension plans. This section provides that the investment return assumption (discount rate) should be based on an estimated long-term investment yield for the plan, with consideration given to the nature and mix of current and expected plan investments and the basis used to determine the actuarial value of assets.
<b>Condition</b>	<p>The HIS provides cash payments to retirees as provided by Section 112.363, Florida Statutes. In general, an eligible retiree is entitled to a benefit of \$5 per month per year of service, with a minimum benefit of \$30 and a maximum benefit of \$150 per month.</p> <p>In applying GASB pension requirements, FDMS elected to use an investment return assumption (discount rate) of 7.75 percent. This long-term rate was used based on the assumption that the plan would become prefunded. However, as the State has not yet established a program to prefund these benefits, a discount rate commensurate with a short-term investment yield may have been more appropriate. Plan assets were being held in short-term investments until benefit payments were disbursed. Net assets reported as of June 30, 2006, and 2007, amounted to \$192.4 and \$238.3 million, respectively. The net investment returns earned on these funds for the period ending June 30, 2006, was 4.17 percent.</p>
<b>Cause</b>	In selecting the discount rate used to estimate the actuarial accrued liability, the FDMS assumed that the plan would become prefunded.
<b>Effect</b>	The selection of a discount rate has a significant effect on the calculation of the actuarial accrued liability that is reported as required supplementary information. The actuarial accrued liability reported for HIS benefits using a 7.75 percent discount rate was \$4.474 billion as of July 1, 2006. The use of a discount rate in the 4 to 5 percent range would have produced a liability that may have been significantly larger.
<b>Recommendation</b>	The Department has completed the July 1, 2008, HIS valuation, the results of which will be reported as required supplementary information in the FY 2008-09 Comprehensive Annual Financial Report. However, the Department again elected to use an investment return assumption (discount rate) of 7.75 percent. We again recommend that FDMS utilize a discount rate consistent with the nature and mix of current and expected plan investments.

<b>State Agency Response and Corrective Action Plan</b>	<p>As a publicly funded pension plan, the Legislature must decide about the funding of the Retiree Health Insurance Subsidy (HIS) Program. The Department of Management Services does not make these decisions.</p> <p>Principals of the Florida Retirement System (FRS) Assumption Conference were contacted following the Auditor General's finding on this same subject last year. The FRS Assumption Conference was requested to meet concerning setting pension assumptions for the HIS Program. Also, follow-up correspondence was sent to the principals requesting guidance on the HIS funding assumptions. At this time, the Department has not received a response to our request.</p> <p>Based on the 2008 HIS funding model, the HIS Trust Fund continues to project a reserve of 10 or more months for the next five fiscal years. This model uses the current level of funding, the average of the actual return over the previous five years, and membership growth trends over the last four years. On average, the monthly contributions received by the HIS Trust Fund continue to exceed the monthly HIS benefit payments. Valuations are performed biennially with the most recent valuation being as of June 30, 2008. The FRS Pension Plan assumptions were used since it is the only statewide pension program and the HIS recipients are FRS retirees and surviving beneficiaries.</p>
<b>Estimated Corrective Action Date</b>	Corrective action cannot be taken until the Legislature sets the assumptions for the HIS Program. At that time a valuation will be performed based on the legislatively established assumptions.
<b>Agency Contact and Telephone Number</b>	Garry Green (850) 414-6349

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**FEDERAL FINDINGS AND QUESTIONED COSTS**

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Our audit findings with regard to compliance and internal controls over compliance with the requirements of major Federal awards programs are disclosed on the following pages. Where applicable and determinable, we have disclosed actual questioned costs where known or likely questioned costs exceeded \$10,000. To identify the nature and significance of each finding, we have identified each finding with one or more of the following designations:

- **Significant Deficiency.** A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected. A *control deficiency* 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 on a timely basis noncompliance with a type of compliance requirement of a Federal program. A significant deficiency is considered in relation to a type of compliance requirement or applicable audit objective identified in the OMB Circular A-133 Compliance Supplement.
- **Material Weakness.** A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected. A material weakness is considered in relation to a type of compliance requirement or applicable audit objective identified in the OMB Circular A-133 Compliance Supplement.
- **Noncompliance.** A finding presenting noncompliance with provisions of laws, regulations, contracts, or grants caused by error or fraud, the effects of which are material in relation to a type of compliance requirement or applicable audit objective identified in the OMB Circular A-133 Compliance Supplement.
- **Material Noncompliance.** A finding presenting noncompliance with provisions of laws, regulations, contracts, or grants caused by error or fraud, the effects of which are material in relation to a major Federal program taken as a whole.
- **Disclaimer of Opinion.** A finding describing the circumstances that prevented the auditor from obtaining sufficient audit evidence to express an opinion on compliance.
- **Opinion Qualification.** A finding presenting a condition that affects the auditor's ability to give an unqualified opinion on compliance. This would include findings of (a) noncompliance with provisions of laws, regulations, contracts, or grants, the effects of which are material to the respective major Federal award program; or (b) inadequate records that resulted in restrictions being placed on the scope of the audit.
- **Questioned Costs.** Costs that are questioned by the auditor because of an audit finding that reported: (a) a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds, including funds used to match Federal funds; (b) costs, at the time of the audit, which were not supported by adequate documentation; or, (c) costs incurred that appeared unreasonable and did not reflect the actions a prudent person would take in the circumstances.
- **Other.** Matters of significance that, in the auditor's opinion, should be reported but do not clearly fit in any of the above-noted designations.

We have presented our findings, generally, by Federal grantor agency and in the order of the Catalog of Federal Domestic Assistance Number (CFDA No.) assigned to each applicable Federal award program. Findings that pertain to multiple programs are generally presented as the first finding within the Federal grantor agency section. In some instances, a finding may pertain to programs provided by more than one Federal grantor agency. In such instances, the finding is presented within the section for the Federal grantor agency that provided the most funding for the applicable State agency. Findings for the Student Financial Assistance Cluster and the Research and Development Programs Cluster are presented within separately marked sections of the report. These findings can be identified by referring to the **INDEX OF FEDERAL FINDINGS BY FEDERAL AGENCY AND COMPLIANCE REQUIREMENT**.

## U.S. DEPARTMENT OF AGRICULTURE

<b>Finding Number</b>	<b>FA 08-001</b>																				
<b>CFDA Number</b>	10.025																				
<b>Program Title</b>	<b>Plant and Animal Disease, Pest Control, and Animal Care (PADPCAC)</b>																				
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles																				
<b>State Agency</b>	<b>Florida Department of Agriculture and Consumer Services (FDACS)</b>																				
<b>Federal Grant/Contract Number and Grant Year</b>	Various (See Condition)																				
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$725,841.19																				
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-001																				
<b>Finding</b>	FDACS did not have procedures in place to obtain certifications required by OMB Circular A-87 for all salaried employees working on components of PADPCAC.																				
<b>Criteria</b>	OMB Circular A-87, Attachment B, Section 8.h.(3), <i>Support of Salaries and Wages</i>																				
<b>Condition</b>	<p>Our audit of the PADPCAC Program included the Citrus Health Response Program component (CHRP) and non-CHRP program components. PADPCAC expenditures totaled \$12,920,363.42 for the 2007-08 fiscal year. While FDACS had revised its procedures to obtain certifications for employees working on CHRP activities, procedures were not implemented to obtain certifications for employees working solely on non-CHRP activities of the PADPCAC Program. Salary and benefit payments for non-CHRP employees totaled \$725,841.19. The questioned costs related to the following Federal grant numbers:</p> <table><tr><td>07-8312-0389CA</td><td>\$195,133.91</td><td>07-9612-0217CA</td><td>\$34,560.00</td></tr><tr><td>08-8312-0389CA</td><td>\$165,844.86</td><td>07-9612-0844CA</td><td>\$12,087.00</td></tr><tr><td>07-8312-0542CA</td><td>\$25,453.05</td><td>07-9612-0702CA</td><td>\$4,796.00</td></tr><tr><td>07-8312-0262CA</td><td>\$121,453.68</td><td>07-9612-0767CA</td><td>\$151,000.00</td></tr><tr><td>07-9612-0326CA</td><td>\$15,512.69</td><td></td><td></td></tr></table>	07-8312-0389CA	\$195,133.91	07-9612-0217CA	\$34,560.00	08-8312-0389CA	\$165,844.86	07-9612-0844CA	\$12,087.00	07-8312-0542CA	\$25,453.05	07-9612-0702CA	\$4,796.00	07-8312-0262CA	\$121,453.68	07-9612-0767CA	\$151,000.00	07-9612-0326CA	\$15,512.69		
07-8312-0389CA	\$195,133.91	07-9612-0217CA	\$34,560.00																		
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07-8312-0262CA	\$121,453.68	07-9612-0767CA	\$151,000.00																		
07-9612-0326CA	\$15,512.69																				
<b>Cause</b>	FDACS management indicated that they did not understand that certification statements were required biannually for components other than CHRP.																				
<b>Effect</b>	Absent the periodic certifications required by OMB Circular A-87, FDACS had not fully substantiated the salary costs charged to PADPCAC.																				
<b>Recommendation</b>	We recommend that FDACS ensure that certifications are obtained from all employees working solely on the PADPCAC Program.																				
<b>State Agency Response and Corrective Action Plan</b>	<p>In response to the referenced audit finding, the FDACS, Division of Plant Industry has taken or will take the following actions:</p> <ul style="list-style-type: none"><li>• Notified all supervisors and managers assigned any employee resource funded from any Federal award program of the requirements and time frames in which to certify that employee work hours were in service to the respective program.</li><li>• Collected certifications from all supervisors of any Career Service or Selected Exempt Service employee resource funded from any Federal award program retroactive to the period of January 1-June 30, 2008.</li><li>• Amend the certification statement going forward for employees in the Career Service and Selected Exempt Service to include an employee signature.</li></ul>																				
<b>Estimated Corrective Action Date</b>	January 2009																				
<b>Agency Contact and Telephone Number</b>	Kelly Shipman (352) 372-3505, Ext. 181																				

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## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

<b>Finding Number</b>	<b>FA 08-002</b>
<b>CFDA Number</b>	14.228
<b>Program Title</b>	<b>Community Development Block Grants/State's Program (CDBG)</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Material Weakness and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-006
<b>Finding</b>	Information system control deficiencies noted in the prior report continued to exist during the 2007-08 fiscal year.
<b>Criteria</b>	<p>24 CFR 570.490, <i>Recordkeeping requirements</i></p> <p>Florida Department of Management Services Rule 60DD-2.004 <i>Logical and Data Access Controls</i>, Florida Administrative Code, stipulates each user of a multiple-user information resource shall be assigned a unique personal identifier that shall be authenticated before access is granted. Additionally, user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.</p> <p>Florida Department of Management Services Rule 60DD-2.005 <i>Data and System Integrity</i>, Florida Administrative Code, stipulates that test functions shall be separate from production functions and that all program changes shall be approved before implementation to determine whether they have been authorized, tested, and documented.</p> <p>Information Technology (IT) Industry Standards:</p> <p>IT Governance Institute <i>Control Objectives for Information Technology (COBIT 4.1)</i>:</p> <p>DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.</p> <p>AI7.6 Testing of Changes – Changes should be tested independently prior to migration to the operational environment.</p> <p>PO8.2 IT Standards and Quality Practices – Standards, procedures and practices for key IT processes should be identified and maintained.</p>
<b>Condition</b>	<p>FDCA used the Process Automation and Paperless Electronic Routing System (FloridaPAPERS), a computerized document management system to electronically store, transmit, and approve Request for Funds (RFFs) for the CDBG Program. During the 2007-08 fiscal year, FDCA processed over \$94 million in payments to subgrantees using FloridaPAPERS. FDCA procedures required subgrantees to transmit the RFFs to CDBG staff for authorization and subsequent approval by the CDBG Community Program Manager, prior to being sent to Finance and Accounting for payment. Within FloridaPAPERS, a predetermined workflow specified the approval sequence for a particular RFF. This workflow was originally established by the CDBG Program and implemented by FDCA's Information Services security staff. However, as noted in the prior report, the CDBG Operations Manager and Financial Specialist had the capability to modify the sequence to send the RFF directly to Finance and Accounting for payment, eliminating required approvals.</p> <p>In addition to FloridaPAPERS, FDCA also used the Grants Records Information Tracking System (GRITS) to support the CDBG Program. According to FDCA personnel, GRITS was used constantly by all staff members to meet a large number of tracking, reporting, and informational needs. GRITS was used to track CDBG grants and related activities, including subgrantee payments and</p>

monitoring. We noted that FDCA had not taken corrective action to modify its procedures in regard to the deficiencies disclosed in the prior audit in regard to GRITS. In the prior audit, we noted that:

- Changes to GRITS programming code were made directly to the application by a contractor based on e-mail and verbal instructions from the CDBG Operations Manager. The changes were not subject to testing prior to being uploaded into the GRITS production environment.
- Additional aspects of FDCA security controls in the areas of user access needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDCA security. Appropriate FDCA personnel have been notified of the issues.

**Cause**

FDCA originally created FloridaPAPERS for the Florida Disaster Grants Program and modified the system for use by several programs including CDBG. Because the system was originally created with the intent to provide flexibility in order to expedite disaster payments, controls over the approval process were limited.

GRITS was not modified since FDCA was working on the Enterprise System (a grants management system for all programs within FDCA). FDCA personnel also indicated that administrative funds were limited and funding was not available to upgrade GRITS.

**Effect**

Improper payments could be made through FloridaPAPERS without detection by appropriate CDBG management. Additionally, absent appropriate system documentation, change management, and security controls, the integrity of the data contained within GRITS could be compromised. Without system documentation, including documentation and testing of system changes, users may not be aware of the functions contained within GRITS or the purpose of system fields.

**Recommendation**

We again recommend FDCA consider whether FloridaPAPERS should be modified to prevent changes to the approval process. Additionally, FDCA should ensure that GRITS security controls are enhanced, and that changes, if any, are appropriately approved, documented, and tested prior to being placed in operation.

**State Agency Response and  
Corrective Action Plan**

FloridaPAPERS was designed to automate processes which require the movement of documents. Similar to a manual work-flow process, FloridaPAPERS currently allows any user to alter a preset work-flow to accomplish their needs. The system was deliberately designed to mimic a manual process with the caveat that all movement would be fully documented within the system and no document can be deleted. All previous versions are retained. Similar to a manual process, it is the responsibility of the employee to follow policies and procedures regarding the execution of a work-flow process.

No enhancements are being made to GRITS as CDBG is in the process of migrating to a new grants management system that will replace GRITS.

**Estimated Corrective  
Action Date**

Completed

**Agency Contact and  
Telephone Number**

Steve Grantham  
(850) 922-1475

Gail Stafford  
(850) 922-1885

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

<b>Finding Number</b>	<b>FA 08-003</b>
<b>CFDA Number</b>	14.228
<b>Program Title</b>	<b>Community Development Block Grants/State's Program (CDBG)</b>
<b>Compliance Requirement</b>	Reporting
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-007
<b>Finding</b>	FDCA did not prepare and submit the annually required Section 3 report.
<b>Criteria</b>	24 CFR 135.3(a) <i>Section 3 covered assistance</i> ; 24 CFR 135.90 <i>Section 3 Reporting</i> ; 24 CFR 570.487(d) <i>Other applicable laws and required program requirements</i>
<b>Condition</b>	<p>For each grant over \$200,000 that involves housing rehabilitation, housing construction, or other public construction, FDCA has been required since June 2001 to submit an annual Section 3 Summary Report, <i>Economic Opportunities for Low- and Very Low-Income Persons</i>. The Section 3 Summary Report requires information on employment and training and contracts awarded, such as dollar amounts of award, number of new hires that are Section 3 residents, and total number of Section 3 businesses receiving contracts. FDCA did not submit any Section 3 Summary Reports that were due on September 30, 2007, although it received Federal funds totaling \$58,123,348 for ten applicable Federal grants during the State's 2006-07 fiscal year.</p> <p>FDCA management indicated that procedures had been implemented during the 2007-08 fiscal year requiring all CDBG subgrantees to provide FDCA with a report on Section 3 activities no later than July 31 annually, which will allow FDCA staff to prepare the Section 3 Summary Report for submission with its annual performance report to the USDHUD due annually on September 30, effective with the report due September 30, 2008.</p>
<b>Cause</b>	Corrective actions planned and communicated by FDCA in response to audit report No. 2008-141, finding No. FA 07-007, had not been fully implemented by June 30, 2008.
<b>Effect</b>	Absent Section 3 Summary reporting, USDHUD lacks information necessary to assess the success or progress in meeting Section 3 requirements.
<b>Recommendation</b>	We recommend that FDCA fully implement procedures to ensure that the Section 3 Summary Reports for September 30, 2008, are properly prepared and timely submitted to USDHUD.
<b>State Agency Response and Corrective Action Plan</b>	The current Section 3 Summary Report has been completed and submitted as required. However, the first opportunity to submit a correct report was September 30, 2008, which fell outside the timeline for this review.
<b>Estimated Corrective Action Date</b>	September 30, 2008
<b>Agency Contact and Telephone Number</b>	Gail Stafford (850) 922-1885

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**Finding Number** FA 08-004  
**CFDA Number** 14.228  
**Program Title** Community Development Block Grants/State's Program (CDBG)  
**Compliance Requirement** Reporting  
**State Agency** Florida Department of Community Affairs (FDCA)  
**Federal Grant/Contract Number and Grant Year** B-05-DC-12-0001 2005  
**Finding Type** Noncompliance and Significant Deficiency

**Finding** FDCA did not accurately report data on the annual CDBG Performance and Evaluation Report.

**Criteria** 24 CFR 91.520, *Performance reports*

**Condition** Our review of FDCA's annual CDBG Performance and Evaluation Report prepared in September 2007 for Grant No. B-05-DC-12-0001, for the period July 2006, through June 2007, disclosed errors in the amounts reported as shown below.

Line Item	Amount per Report	Amount per FDCA Records	Difference
<b>Part I, Financial Summary and National Objectives</b>			
Amount Obligated to Recipients	\$26,580,986.00	\$31,294,449.24	\$(4,713,463.24)
Amount Drawn Down	696,838.49	8,390,492.25	(7,693,653.76)
Benefit LMI Persons	23,881,331.00	28,576,330.24	(4,694,999.24)
<b>Part II, Section B – Current Status of FFY 2005 Funds and Contracts</b>			
Neighborhood Revitalization	\$12,145,637.00	\$12,034,100.24	\$ 111,536.76
Economic Development	5,038,986.00	8,363,986.00	(3,325,000.00)
Total Obligated to Recipient	26,580,986.00	31,294,449.24	(4,713,463.24)
Unobligated	5,073,560.00	360,096.76	4,713,463.24

**Cause** According to FDCA staff, FDCA used the prior year report as a template and some amounts had not been updated to reflect the current year activity. While FDCA staff indicated that amounts on the report are checked to spreadsheets prepared within the CDBG program office and Finance and Accounting, the errors were not detected.

**Effect** The failure to provide reports that are accurate and properly supported may limit the ability of the USDHUD to properly account for Federal funds and administer the CDBG program.

**Recommendation** We recommend that FDCA ensure that amounts reported on the annual CDBG Performance and Evaluation Report are accurate.

**State Agency Response and Corrective Action Plan** This was a clerical error and was not caught by the Department reviewers. The current procedure for reviewing the PER is that after the Financial Specialist enters the data in the spreadsheets and narrative, it is reviewed by the Planning Manager and another individual (the Administrative Assistant or the Program's Budget Manager, whichever is available). Due to extremely large number of entries of dollar amounts, it is difficult to catch each one. The program recognizes the need for improved proofing procedures and has already implemented such measures.

**Estimated Corrective  
Action Date**

June 12, 2008

**Agency Contact and  
Telephone Number**

Gail Stafford  
(850) 922-1885

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

<b>Finding Number</b>	<b>FA 08-005</b>
<b>CFDA Number</b>	14.228
<b>Program Title</b>	<b>Community Development Block Grants/State's Program (CDBG)</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-008
<b>Finding</b>	FDCA again did not prepare an annual monitoring plan or quarterly schedules, which should include the subgrantees to be monitored and the projected date of the monitoring visits.
<b>Criteria</b>	OMB Circular A-133, §____.400(d), <i>Pass-through entity responsibilities</i> ; State of Florida Consolidated Plan – Federal Fiscal Years 2005-2010, Appendix 4, <i>Monitoring of the Small Cities CDBG Program</i> ; FDCA 2005 Disaster Recovery Initiative Action Plan and Amendment; FDCA Monitoring Procedure <i>State Monitoring Plan</i>
<b>Condition</b>	FDCA personnel are responsible for monitoring subgrantee compliance with governing Federal regulations, State rules, and contract terms. During the 2007-08 fiscal year, FDCA provided CDBG pass-through funds totaling \$94,202,558.49 to subgrantees. FDCA's monitoring procedures require CDBG staff to prepare an annual monitoring plan and a more detailed monitoring schedule at the beginning of each quarter, to perform monitoring visits, and to track monitoring visits and findings. As similarly noted in audit report No. 2008-141, finding No. FA 07-008, FDCA personnel did not prepare an annual monitoring plan or quarterly schedules. FDCA grant managers prepared 90-day Spending Plans that included descriptions of estimated travel, but did not always include subgrantees to be monitored, monitoring areas to be addressed, and dates of monitoring visits.
<b>Cause</b>	FDCA did not follow its established monitoring procedures.
<b>Effect</b>	Absent adherence to FDCA's established monitoring procedures, FDCA and USDHUD lack assurance that subgrantees are properly monitored to reasonably ensure their compliance with governing Federal and State rules, regulations, and contract terms.
<b>Recommendation</b>	We again recommend that FDCA follow its established procedures for subgrantee monitoring.
<b>State Agency Response and Corrective Action Plan</b>	Monitoring must be individualized for each contract and is planned based on the subgrantee's performance during the grant period, the amount of funds being expended based on their Request for Funds, the progress of construction, and the information submitted in the subgrantee's quarterly report. As of August 1, 2008, the annual monitoring plan has been implemented and CDBG is following its established procedures for subgrantee monitoring.
<b>Estimated Corrective Action Date</b>	August 1, 2008
<b>Agency Contact and Telephone Number</b>	Gail Stafford (850) 922-1885

## U.S. DEPARTMENT OF LABOR

<b>Finding Number</b>	<b>FA 08-006</b>
<b>CFDA Number</b>	17.207, 17.801, 17.804 17.258, 17.259, 17.260
<b>Program Title</b>	<b>Employment Service (ES) Cluster, WIA (Workforce Investment Act) Cluster</b>
<b>Compliance Requirement</b>	Reporting
<b>State Agency</b>	<b>Florida Agency for Workforce Innovation (FAWI)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FAWI had not established a process to ascertain the appropriateness of security controls for the vendor-owned Employ Florida Marketplace (EFM) System.
<b>Criteria</b>	<p>29 USC 49i, <i>Record keeping and accountability</i></p> <p>29 USC 2871(f), <i>Fiscal and management accountability information systems</i></p> <p>FAWI <i>Information Systems Security Program</i>, Policy No. 5.02, established responsibilities and operating policies and procedures for ensuring an adequate level of information security for all information collected, created, processed, transmitted, stored, or disseminated on FAWI information systems. This policy adopted by reference the Federal Information Security Management Act (FISMA) of 2002, Federal Information Processing Standards (FIPS), and National Institute of Standards and Technology (NIST) Special Publication (SP) 800 Series.</p> <p>Information Technology (IT) Industry Standards:</p> <p>IT Governance Institute <i>Control Objectives for Information Technology (COBIT 4.1)</i>:</p> <p>DS5.5 Security testing, Surveillance and Monitoring – IT security should be reaccredited in a timely manner to ensure that the approved information security baseline is maintained.</p> <p>National Institute of Standards and Technology <i>Guide for the Security Certification and Accreditation of Federal Information Systems</i>, Special Publication 800-37.</p>
<b>Condition</b>	<p>FAWI is responsible for administering the Federal workforce programs, and Section 445.004(2), Florida Statutes, designates Workforce Florida, Inc. (WFI), as the principal workforce policy organization for the State. As a collaborative effort between FAWI and WFI to provide employment services to the general public, WFI entered into a contract with a third-party vendor for the acquisition of a Web-based job listing services system, i.e., EFM. EFM maintains data, such as those relating to labor exchange services provided to customers, and is used to create the performance reports submitted to the USDOL for the ES Cluster and WIA Cluster programs. The ES Cluster performance reports aid Congress, among other entities, in assessing the value of employment services for customers within an integrated workforce investment system. USDOL uses the WIA Cluster performance reports to disseminate state-by-state comparisons of the information and to determine states' eligibility for incentive grants or to impose sanctions based on performance failures.</p> <p>Protocols in FAWI's security policy establish various security controls. For example, each major FAWI information system is to have a completed security certification and accreditation (i.e., security authorization process). Our audit disclosed that FAWI did not apply these protocols to the EFM System.</p> <p>We noted that provisions in the contract between WFI and the vendor allowed FAWI to conduct or arrange for monitoring of the vendor, but FAWI had not conducted monitoring of the vendor's EFM System security controls. FAWI management indicated that information technology controls for EFM are not within</p>

	<p>FAWI's purview. FAWI management also indicated that data element validation and program monitoring are tools that have enabled FAWI to effectively monitor the vendor for data integrity and accuracy with regard to the EFM System. Although data element validation provides some assurance of data integrity, i.e., data is within an acceptable range, and program monitoring provides assurance of compliance with Federal regulations, these efforts do not provide assurance of the effectiveness of the vendor's security controls.</p>
<b>Cause</b>	<p>FAWI management indicated that the vendor does not conduct official business with FAWI and the contract for the EFM System is between WFI and the vendor; therefore, the FAWI security policy does not apply to the vendor. However, FAWI staff use EFM data to create the performance reports for the ES Cluster and WIA Cluster Programs, and as stated in the contract between WFI and the vendor, FAWI is allowed to monitor or arrange for monitoring of the vendor's activities.</p>
<b>Effect</b>	<p>Without an established process to ascertain the appropriateness of the vendor's security controls, FAWI lacks assurance that EFM system security controls are implemented correctly, operating as intended, and producing the desired outcome with respect to meeting the security requirements for the EFM system.</p>
<b>Recommendation</b>	<p>We recommend that FAWI establish a process, through monitoring or independent attestation, for ascertaining that the EFM security controls are appropriately designed and effective.</p>
<b>State Agency Response and Corrective Action Plan</b>	<p>FAWI will establish a monitoring process for ascertaining that the security controls for the EFM system are appropriately designed and effective.</p>
<b>Estimated Corrective Action Date</b>	<p>April 30, 2009</p>
<b>Agency Contact and Telephone Number</b>	<p>Kevin Neal (850) 245-7145</p>

**U.S. DEPARTMENT OF LABOR**

<b>Finding Number</b>	<b>FA 08-007</b>
<b>CFDA Number</b>	17.225
<b>Program Title</b>	<b>Unemployment Insurance (UI)</b>
<b>Compliance Requirement</b>	Eligibility
<b>State Agency</b>	<b>Florida Agency for Workforce Innovation (FAWI)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	N/A
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-009

**Finding**

The Unemployment Compensation (UC) System is used by FAWI to determine eligibility and calculate benefit amounts for individuals seeking unemployment compensation.

In Information Technology audit report No. 2009-070, dated December 2008, a follow-up to audit report No. 2008-037, we reported steps FAWI had taken to correct previously reported deficiencies in finding Nos. 6 through 8. We also reported that although FAWI had corrected or partially corrected certain deficiencies noted in finding Nos. 1 through 5, some deficiencies continued to exist, regarding implementation of FAWI security control procedures for the UC System and regarding certain cross-match application processes. Details of the findings and recommendations, as well as, FAWI management's response are included in that report.

## U.S. DEPARTMENT OF LABOR

<b>Finding Number</b>	<b>FA 08-008</b>
<b>CFDA Number</b>	17.225
<b>Program Title</b>	<b>Unemployment Insurance (UI)</b>
<b>Compliance Requirement</b>	Eligibility
<b>State Agency</b>	<b>Florida Agency for Workforce Innovation (FAWI)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	N/A
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FAWI had not completed a review of all Unemployment Compensation (UC) positions to identify those which require access to confidential UC information, designate these positions as positions of special trust, and complete security background investigations on employees in these positions.
<b>Criteria</b>	<p>Section 443.1715(1), Florida Statutes, <i>Disclosure of information; confidentiality – Records and Reports</i>, specifies UC information that is confidential.</p> <p>Section 110.1127(1), Florida Statutes, <i>Employee security checks</i>, requires each employing agency to designate employee positions that, because of the special trust or responsibility or sensitive location of those positions, requires that persons occupying the positions to undergo a security background check, including, as a condition of employment, fingerprinting.</p> <p>Section 435.04, Florida Statutes, <i>Level 2 screening standards</i>, requires all employees in positions designated by law as positions of trust or responsibility to undergo level 2 security background investigations that include fingerprinting, statewide criminal and juvenile records checks through the Florida Department of Law Enforcement, and federal criminal records checks through the Federal Bureau of Investigation (FBI), and may include local criminal records checks through local law enforcement agencies.</p> <p>FAWI Policy No. 1.08, <i>Positions of Special Trust</i>, adopted on June 26, 2007, and amended on May 23, 2008, requires FAWI Division Directors to review job duties of all positions in their Division and determine if any position falls under the definition of positions of special trust, then submit a list of these positions, position numbers, and a brief description of each job's duties to FAWI's Director or designee for review and approval. Once approved, employees in the positions designated as positions of special trust are to undergo level 2 security background investigations as a condition of employment.</p>
<b>Condition</b>	FAWI administers the UC program with approximately 460 employment positions, many of which require access to confidential information to perform job duties. On October 9, 2007, FAWI designated 77 Information Technology positions as positions of special trust and, subsequently, conducted level 2 security background investigations. However, as of June 30, 2008, FAWI management had not completed a review of all UC program positions to identify other positions that required a level 2 security background investigation.
<b>Cause</b>	FAWI management did not fully implement FAWI Policy No. 1.08 and indicated the policy's definition of positions of special trust that require level 2 security background investigations may be readdressed.
<b>Effect</b>	Employees with inappropriate backgrounds could be employed in a position that allows access to confidential UC information.
<b>Recommendation</b>	We recommend that FAWI ensure that all UC employment positions are timely reviewed for applicability of requiring level 2 security background investigations and that the investigations are conducted.

<b>State Agency Response and Corrective Action Plan</b>	The Agency agrees and is continuing its efforts to identify all UC employment positions that require level 2 security background investigations and to complete the investigations. The Agency's policy on designation of positions of special trust had to be revised to prevent overly broad applications. This delayed implementation of the policy in the UC program area.
<b>Estimated Corrective Action Date</b>	March 31, 2009
<b>Agency Contact and Telephone Number</b>	Tom Clendenning (850) 245-7499

## U.S. DEPARTMENT OF LABOR

<b>Finding Number</b>	<b>FA 08-009</b>
<b>CFDA Number</b>	17.225
<b>Program Title</b>	<b>Unemployment Insurance (UI)</b>
<b>Compliance Requirement</b>	Eligibility and Reporting
<b>State Agency</b>	<b>Florida Agency for Workforce Innovation (FAWI)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	N/A
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	To ensure confidentiality and integrity of the UI system, enhancements were needed in FAWI's security policy regarding security control settings.
<b>Criteria</b>	<p>Section 443.1715(1), Florida Statutes, <i>Disclosure of information; confidentiality</i>, specifies what UC information is confidential.</p> <p>FAWI <i>Information Systems Security Program</i>, Policy No. 5.02, established responsibilities and operating policies and procedures for ensuring an adequate level of information security for all information collected, created, processed, transmitted, stored, or disseminated on FAWI information systems. This policy includes by reference Federal Information Processing Standards (FIPS) and National Institute of Standards and Technology (NIST) Special Publication (SP) 800 Series, which provide standards applicable to Federal information systems.</p>
<b>Condition</b>	To assist in the administration of the UI program, FAWI operates the UI System, comprised of several interacting systems, e.g., the Unemployment Compensation (UC) Claims and Benefit Subsystem, the Benefit Overpayment Screening System (BOSS), and the Electronic Imaging System (EIS). Each of these systems can be accessed through FAWI's network. As the UI system contains confidential information, it is imperative that strict security controls be implemented and enforced. We found that FAWI security controls in the area of security control settings needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FAWI security. Appropriate FAWI personnel have been notified of the issues.
<b>Cause</b>	FAWI management indicated that there were no specific guidelines in place to address the identified issues with the security control settings.
<b>Effect</b>	When appropriate security controls have not been established or implemented, excessive or uncontrolled access can lead to unauthorized or unintentional disclosure, modification, or destruction of confidential information and resulting violations of Federal and State laws.
<b>Recommendation</b>	We recommend that FAWI enhance its security policy for all systems that contain confidential information, including the UI system, to require appropriate security control settings. We also recommend that FAWI consider the level of protection required of the data stored in all systems that contain confidential information and establish appropriate security control settings.
<b>State Agency Response and Corrective Action Plan</b>	FAWI agrees with the recommendation contained in the confidential finding received from the Auditor General and is in the process of implementing corrective action.
<b>Estimated Corrective Action Date</b>	March 1, 2009
<b>Agency Contact and Telephone Number</b>	Scott Stewart (850) 245-7305

## U.S. DEPARTMENT OF LABOR

<b>Finding Number</b>	<b>FA 08-010</b>
<b>CFDA Number</b>	17.225
<b>Program Title</b>	<b>Unemployment Insurance (UI)</b>
<b>Compliance Requirement</b>	Procurement and Suspension and Debarment
<b>State Agency</b>	<b>Florida Department of Revenue (FDOR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	UI157920755 2007 and UI-16740-08-55-A-12 2008
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-011
<b>Finding</b>	Although FDOR implemented some corrective action during the 2007-08 fiscal year, FDOR did not follow established procedures to demonstrate that a determination was made that contractors were not suspended or debarred prior to entering into covered transactions with the contractors.
<b>Criteria</b>	ET Handbook No. 336, <i>Unemployment Insurance State Quality Service Plan Planning and Reporting Guidelines</i> ; 29 CFR 97.35, <i>Subawards to debarred and suspended parties</i> ; 29 CFR 98.300, <i>What must I do before I enter into a covered transaction with another person at the next lower tier?</i> ; FDOR <i>Purchasing and Contract Management Manual</i>
<b>Condition</b>	FDOR administered Unemployment Tax (UT) collection services for the UI Program pursuant to an interagency agreement with the Florida Agency for Workforce Innovation. On February 1, 2007, FDOR staff updated the FDOR <i>Purchasing and Contract Management Manual</i> requiring, prior to expending Federal funds over the amount of \$25,000, the requestor of the procurement to verify that vendors are not debarred. In our test of UT disbursements by FDOR, we noted that for two of four tested covered transactions exceeding \$25,000, FDOR had not verified that the contractor was not suspended or debarred from receiving Federal funds. Contracts for the two covered transactions were executed on July 18, 2007, and September 10, 2007, and contract amounts totaled \$292,115.40, with \$206,915.83 attributable to UT costs. On the date of our review, none of the parties to the two covered transactions were listed on the General Services Administration <i>List of Parties Excluded From Federal Procurement and Nonprocurement Programs (EPLS)</i> .
<b>Cause</b>	FDOR management indicated that on September 4, 2007, the Contract Routing Sheet was updated to include a check box for use in indicating whether Federal funds are to be used, and if so, a printout from the EPLS is required to be attached to the Contract Routing Sheet. On December 12, 2008, the requestor (also the contract manager) for one contract indicated that she was unaware that the contract would be partially funded with Federal funds, as well as of the requirement for reviewing and documenting that the vendor was not included on the EPLS when a contract involved Federal funds. The requestor for the other contract is no longer employed with FDOR. Also, FDOR procurement staff indicated that they were unaware that these contracts involved Federal funds.
<b>Effect</b>	Federal funds may be subject to misuse absent proper verification that the contractor was not suspended or debarred from receiving Federal funds.
<b>Recommendation</b>	We recommend that FDOR continue its efforts to ensure the effective implementation of the updated <i>Purchasing and Contract Management Manual</i> and instruct staff on how to identify contracts involving Federal funds.

<b>State Agency Response and Corrective Action Plan</b>	<p>The Department concurs with the finding; however, we would like to point out that both contracts identified by the auditors were processed prior to our implementation of an additional internal control to reduce the risk of this type of error from occurring. On September 4, 2007, the Department updated its Contract Routing Sheet to add a check box inquiring whether Federal funds are used. If so, a printout from the Excluded Parties List System is required to be attached to the routing sheet.</p> <p>Nonetheless, we will continue our efforts to educate procurement and program staff about the new process. For example, the Department will be holding contract manager training on April 3<sup>rd</sup>-5<sup>th</sup>, 2009, and again on April 16<sup>th</sup>-18<sup>th</sup>, 2009. All DOR contract managers are required to attend. This training has a module on the specific requirements for contracting when Federal funds are involved. Included in that module are the EPLS duties and responsibilities.</p>
<b>Estimated Corrective Action Date</b>	Completed
<b>Agency Contact and Telephone Number</b>	James R. Evers (850) 488-5163

## U.S. DEPARTMENT OF LABOR

<b>Finding Number</b>	<b>FA 08-011</b>
<b>CFDA Number</b>	17.225
<b>Program Title</b>	<b>Unemployment Insurance (UI)</b>
<b>Compliance Requirement</b>	Special Tests and Provisions – Employer Experience Rating
<b>State Agency</b>	<b>Florida Agency for Workforce Innovation (FAWI)</b> <b>Florida Department of Revenue (FDOR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	N/A
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-013
<b>Finding</b>	Although FAWI and FDOR implemented some corrective actions, deficiencies continued to exist in the 2008 UI tax rate calculation process.
<b>Criteria</b>	<p>Section 443.131(3), Florida Statutes, <i>Contributions. – Variation of contributions rates based on benefit experience</i>, describes factors used in determining employers' tax rates, including benefit payments made to claimants and charged to employers.</p> <p>Section 443.151, Florida Statutes, <i>Procedure concerning claims</i>, describes procedures for initial determinations and redeterminations of claims for unemployment compensation benefits, as well as recoveries of benefits which individuals are not entitled.</p>
<b>Condition</b>	<p>Our audit of the 2008 UI tax rate calculation process performed by FAWI and FDOR disclosed the following matters that may contribute to the calculation of incorrect UI tax rates for individual employers:</p> <ul style="list-style-type: none"> <li>• Prior to calculating the 2008 UI tax rates, FAWI did not perform reconciliations between detail and summary benefit and wage data within the Tax Registration Accounting Information Network (TRAIN) subsystem. TRAIN, a subsystem of the Unemployment Compensation (UC) system, was utilized to calculate the 2008 UI tax rate, and through March 9, 2008, was utilized to record wage data for use in processing claims for UI program benefits and to calculate and record collections of employer taxes.</li> <li>• UC System programming continued to incorrectly allow the employers' shares of benefit payments to be undercharged to the employers' accounts when overpayments were established and subsequently recovered through offsets against current benefits.</li> <li>• FAWI could not demonstrate that noncharge benefit amounts used in the calculation of the 2008 UI tax rate were properly adjusted for all overpayment redeterminations, (i.e., redeterminations of previously established overpayments that were subsequently increased, decreased, or canceled).</li> </ul>
<b>Cause</b>	FAWI and FDOR had not completed necessary system programming changes prior to the 2008 UI tax rate calculation. Effective March 10, 2008, the Unemployment Tax program was fully converted to the System for Unified Taxation (SUNTAX) system operated by FDOR. FAWI indicated that the accuracy and completeness of the data used in the calculation of the 2009 UI tax rate will be addressed by the unemployment tax application in SUNTAX.
<b>Effect</b>	Absent reconciliation of summary data to the detail data, FAWI could not demonstrate that the data used in the annual UI tax rate calculations was accurate and complete. Also, employer UI tax rates were not established in compliance with applicable statutory provisions, preventing the proper cost allocation of UI benefits to appropriate employers and resulting in misstated employer UI tax rates.

**Recommendation**

We continue to recommend that FAWI and FDOR ensure that timely and complete reconciliations are performed between the detail and summary benefit and wage data and that necessary system programming is made prior to the calculation of the annual UI tax rate. We also continue to recommend that FAWI enhance and document the process used for overpayment redeterminations.

**Florida Agency for Workforce Innovation****State Agency Response and Corrective Action Plan**

Because of the level of effort required by our IT resources to successfully convert the unemployment tax (UT) program from the FAWI legacy mainframe to FDOR's SUNTAX system, programming relating to the reconciliations of the summary benefit charge and wage data in the Agency's system were not undertaken for the 2008 tax rates. However, following the successful conversion of tax data to SUNTAX, FDOR has computed rates for 2009 to meet the requirements outlined in prior audit findings. The effect of benefit overpayment redeterminations is a function of FAWI Claims and Benefits system. FDOR utilizes the benefit charging data that is passed to it from FAWI. FDOR is not responsible for documenting the process used for overpayment redeterminations. FAWI has created reports that identify the universe of benefit overpayments that include redeterminations and cancellations to ensure that all charge adjustments can be properly executed. However, three years of report data to mirror the rate calculation data will not be available for two years. The Agency intends to continue to work on programming efforts to automate benefit overpayment noncharges; however, other business requirements have prevented completion of this work.

**Estimated Corrective Action Date**

June 30, 2009

**Agency Contact and Telephone Number**

Tom Clendenning  
(850) 245-7499

**Florida Department of Revenue****State Agency Response and Corrective Action Plan**

With the migration of unemployment tax into Suntax (System for Unified Taxation), both agencies were required to revisit and document the UI tax rate calculation process. Prior to the go-live date of March 10, 2008, a simulation of the 2008 rate run was performed and compared against the actual results from TRAIN. Among other testing, 50 randomly selected accounts were interrogated and the detailed records that were used in determining the tax rate in the SUNTAX system were closely reviewed. Test results were shared with FDOR and FAWI subject matter experts and were determined to be accurate and consistent with Florida law. The 2009 rate run was successfully performed in the SUNTAX environment in December 2008. This should correct previous deficiencies noted.

**Estimated Corrective Action Date**

Completed March 2008

**Agency Contact and Telephone Number**

James R. Evers  
(850) 488-5163

## U.S. DEPARTMENT OF LABOR

<b>Finding Number</b>	<b>FA 08-012</b>
<b>CFDA Number</b>	17.225
<b>Program Title</b>	<b>Unemployment Insurance (UI)</b>
<b>Compliance Requirement</b>	Special Tests and Provisions – Employer Experience Rating
<b>State Agency</b>	<b>Florida Department of Revenue (FDOR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	N/A
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDOR did not follow established procedures and remove in a timely manner terminated employees' access privileges to FDOR systems.
<b>Criteria</b>	<p>Florida Department of Management Services Rule 60DD-2.004 <i>Logical and Data Access Controls</i>, Florida Administrative Code, stipulates user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.</p> <p>FDOR SUNTAX Security Policy and Procedures, <i>Supervisor Security Responsibilities</i></p> <p>Information Technology (IT) Industry Standards:  IT Governance Institute <i>Control Objectives for Information Technology (COBIT 4.1)</i>:  DS5.4 User Account Management – User account management procedures should address requesting, establishing, suspending, modifying and closing user accounts and related user privileges.</p>
<b>Condition</b>	<p>The System for Unified Taxation (SUNTAX) is used by FDOR for tax processing and the Imaging Management System (IMS) is used by FDOR as a front-end system to initiate the process of tax collection and tax return processing. Effective March 10, 2008, the Unemployment Tax (UT) program, administered by FDOR pursuant to an interagency agreement with FAWI, was fully converted to SUNTAX. FDOR procedures require supervisors of terminated employees to complete a <i>Removal of Security Access for Terminated Employees</i> form and the SUNTAX Security Administrator to remove the employee's access privileges to SUNTAX on the effective date of termination. This form was also used to remove employees' access privileges from other systems, such as, IMS.</p> <p>Our test of the access removal actions taken for four terminated employees, disclosed that FDOR did not remove in a timely manner terminated employees' access privileges to SUNTAX and IMS. Specifically,</p> <ul style="list-style-type: none"> <li>• SUNTAX access privileges for three of the four terminated employees remained in place from 38 to 216 days after termination.</li> <li>• IMS access privileges for one of the three terminated employees remained in place 130 days after termination.</li> </ul> <p>A similar finding was noted in our Information Technology (IT) audit of SUNTAX, audit report No. 2008-097, dated February 2008.</p>
<b>Cause</b>	Supervisors of the terminated employees did not complete the <i>Removal of Security Access</i> form, in accordance with FDOR procedures, and timely notify the Security Administrator to remove the employees' access privileges to SUNTAX and IMS.
<b>Effect</b>	Absent effective security controls, UT data may not be adequately safeguarded and any unauthorized access to or manipulation of sensitive and confidential information may not be timely detected.

<b>Recommendation</b>	We recommend that FDOR follow established procedures to ensure that access privileges of terminated employees are removed in a timely manner for all FDOR systems.
<b>State Agency Response and Corrective Action Plan</b>	<p>The Department acknowledges that security access is an important issue. The Department of Revenue is taking action to ensure that access privileges of terminated employees are removed timely. By the end of February 2009, a policy and procedure document will be deployed to all supervisors to remind them of their responsibility in the employee separation process. These policies and procedures will also include information for supervisors regarding how to timely and accurately notify the appropriate areas for access removal from DOR systems.</p> <p>Additionally, a new intranet website for all of Revenue's human resource related information has been created, and an entire page devoted to the employee separation process, including supervisor and employee resources, will be completed by the end of February 2009. Finally, Revenue has two forms presently used by supervisors for completion when someone separates from the agency and no longer needs security access. The Department's Administrative Services Program and the Information Services Program are working together to update these forms to provide a better connection between the documents.</p> <p>The Department's Administrative Services Program will continue to work with the Information Services Program (ISP), as well as other key agency stakeholders, to address the overall employee separation process and incorporate technology solutions to the process.</p>
<b>Estimated Corrective Action Date</b>	February 2009
<b>Agency Contact and Telephone Number</b>	Traci Jones (850) 922-4131

## U.S. DEPARTMENT OF TRANSPORTATION

<b>Finding Number</b>	<b>FA 08-013</b>
<b>CFDA Number</b>	20.205
<b>Program Title</b>	<b>Highway Planning and Construction</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Transportation (FDOT)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Noncompliance and Significant Deficiency

**Finding** FDOT did not have a written agreement with the Federal Highway Administration (FHWA) with regard to the indirect costs billed during the 2007-08 fiscal year. Additionally, FDOT had not established written policies and procedures in regard to development and submission of its Indirect Cost Allocation Plan (ICAP) and documentation of the negotiation of approved indirect cost rates and the resulting written agreement.

**Criteria** OMB Circular A-87, Attachment E, Paragraph C – *Allocation of Indirect Costs and Determination of Indirect Cost Rates*; Paragraph D – *Submission and Documentation of Proposals*; Paragraph E – *Negotiation and Approval of Rates*

**Condition** During the 2007-08 fiscal year, FDOT charged indirect costs, which were incurred during the 2005-06 and 2006-07 fiscal years, totaling approximately \$198.7 million to the Highway Planning and Construction Program. FDOT had not entered into a written agreement with FHWA with regard to the indirect cost rates charged.

FDOT submitted an ICAP for the 2008-09 fiscal year to FHWA on July 3, 2008, and submitted a revised ICAP on November 21, 2008. Based on the revised ICAP, approximately \$319 million of indirect costs were allocated to 21 direct cost bases with direct costs totaling approximately \$6.1 billion. We reviewed both of the ICAPs and supporting schedules. Based on our inquiries, we noted that FDOT had not established written policies and procedures for developing and submitting the ICAP, other than defining the direct cost bases by specifying the program plan subcategories and fund groups for each direct cost base. Also, as described in the following paragraph, our audit of the ICAPs disclosed instances in which FDOT did not comply with Federal requirements with regard to the direct cost bases.

A direct cost base is used to distribute indirect costs to individual Federal awards. Direct costs, which were directly attributable to a specific project, were allocated to 21 direct cost bases using FDOT's expenditure forecast of the adopted work program. FDOT used forecasted expenditures for the direct cost bases as recommended by FHWA to minimize over or under recovery of indirect costs. Also, FDOT was required to subtract certain forecasted expenditures, such as capital expenditures and any other extraordinary or distorting expenditures from the total direct cost base. We noted that:

- On the ICAP submitted in July 2008, FDOT had not excluded forecasted capital expenditures totaling \$11,965,000 from the direct cost bases. Subsequent to our inquiry, FDOT revised its methodology to exclude fixed capital outlay and transfers from the direct cost bases for the future development of indirect cost rates and made the appropriate revisions to the ICAP submitted in November 2008.
- FDOT did not submit to FHWA the required subsidiary worksheet to support the calculation of each direct cost base amount or other relevant data, such as exclusions. Although FDOT did prepare subsidiary worksheets, they were not reconciled to the appropriate financial data, such as the adopted work program or cash forecast reports. Additionally, FDOT did not have any written procedures or internal controls in place to ensure that the direct cost bases

were properly prepared, reviewed, and reconciled to the appropriate financial data.

**Cause**

FDOT was not aware that a formal written agreement was required. FDOT supported the charges with a letter, dated December 5, 1995, from FHWA in which FHWA indicated that so long as there were no changes in the methodology used to calculate the rates, FHWA only needed to be informed of the new rate. In a report to FDOT dated July 24, 2008, FHWA indicated that there had been a common misunderstanding that annual submittal of a complete ICAP package was not required. The report also made reference to a FHWA memorandum, dated September 24, 1998, which stated that states may claim indirect costs in accordance with OMB Circular A-87. However, OMB Circular A-87 provides that the agency must first prepare a cost allocation plan which is to be approved by the assigned Federal cognizant agency (or FHWA).

FDOT did not establish procedures to properly identify and exclude all disallowable costs from the direct cost bases, or properly prepare and submit the required subsidiary work sheet or other relevant data to support the direct cost base amounts.

**Effect**

Absent the required written indirect cost rate agreements, FDOT could not document FHWA approval of the rates billed in the 2007-08 fiscal year. Additionally, absent written policies and procedures for developing and submitting the ICAP and documenting its negotiation of indirect cost rates with the FHWA, FDOT may have an increased risk of errors that could impact indirect cost rates.

**Recommendation**

We recommend that FDOT establish written policies and procedures for developing and submitting the ICAP and documenting its negotiation of indirect cost rates with the FHWA. In establishing such procedures, FDOT should ensure that all capital expenditures and other distorting expenditures are excluded from direct cost bases and that required supporting schedules and documentation are prepared and submitted with the ICAP for FHWA consideration.

**State Agency Response and  
Corrective Action Plan**

We concur. We are currently making improvements to our Indirect Cost Allocation Plan process and working closely with FHWA on finalizing a formal written agreement. As part of the improvement process, we will be establishing written procedures for development, review, and approval of FDOT's indirect cost plan. As noted in your finding, FDOT has already taken steps to remove capital expenditures and other distorting items from our direct cost bases. Subsequent to your review, we have submitted additional supporting schedules and reconciliations to FHWA for inclusion in our indirect cost plan. We will ensure that this practice is included in our written procedure and continued for future indirect cost plans.

**Estimated Corrective  
Action Date**

June 30, 2009

**Agency Contact and  
Telephone Number**

Jason Adank  
(850) 414-4279

## U.S. DEPARTMENT OF TRANSPORTATION

<b>Finding Number</b>	<b>FA 08-014</b>
<b>CFDA Number</b>	20.205
<b>Program Title</b>	<b>Highway Planning and Construction</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Transportation (FDOT)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	N/A
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-016
<b>Finding</b>	Internal control deficiencies disclosed in the prior audit regarding obtaining and reviewing subrecipient audit reports continued to exist during the 2007-08 fiscal year in one FDOT District.
<b>Criteria</b>	OMB Circular A-133, §_.200 <i>Audit requirements</i> , §_.320(a) <i>Report submission</i> , §_.400 <i>Responsibilities</i> , and §_.505 <i>Audit reporting</i> ; and FDOT Procedure Topic No. 450-010-001-g, Federal and Florida Single Audit Procedure
<b>Condition</b>	<p>FDOT's Office of Inspector General (OIG) established procedures include the use of the Single Audit Automated System (System) to document the receipt and review of subrecipient audit reports. The procedures require program managers to complete a Checklist electronically to document their review of the audit reports. As similarly disclosed in prior audits, FDOT program managers did not always follow established procedures for obtaining and reviewing subrecipient audit reports. Our review of the 20 subrecipient projects for 7 FDOT Districts for which audit reports were due to FDOT no later than June 30, 2007, and for which FDOT staff were to complete a Checklist during the 2007-08 fiscal year, disclosed the following:</p> <ul style="list-style-type: none"> <li>• Two projects, located in FDOT District 4, with 2 audit reports for which a Checklist had not been completed as of November 20, 2008. Based on our review of Checklists for other projects for the same subrecipients, the audit reports were received in June 2007 and March 2008.</li> <li>• Three projects, located in FDOT District 4, with 3 audit reports for which Checklists had not been timely completed. The time between the date the reports were received and the date the Checklists were completed in the System ranged from 190 to 445 calendar days.</li> </ul>
<b>Cause</b>	The program managers did not follow the required procedures to timely complete the Checklists. FDOT staff indicated that there was a total revamping of the System in District 4 to correct the deficiencies noted by the OIG in a compliance review dated March 2008.
<b>Effect</b>	Failure to use the System as intended diminishes FDOT's ability to monitor the timely submission and review of audit reports, as well as, to ensure the accountability of Federal assistance.
<b>Recommendation</b>	We recommend that FDOT continue its efforts to ensure that Checklists are timely completed.
<b>State Agency Response and Corrective Action Plan</b>	We concur. All FDOT Districts have made substantial improvements in obtaining and reviewing subrecipient audit reports. We will continue our progress with the districts and ensure that checklists from FDOT District 4 are timely completed in the automated system.
<b>Estimated Corrective Action Date</b>	June 30, 2009
<b>Agency Contact and Telephone Number</b>	Carlos Mistry (850) 410-5832

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## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-015</b>
<b>CFDA Number</b>	Various
<b>Program Title</b>	<b>Various</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles, Matching, Level of Effort, and Earmarking, Reporting, Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDOE management had not implemented certain systems development and access security controls for the Financial Management Information System (FMIS).
<b>Criteria</b>	<p>34 CFR 80.20, <i>Standards for Financial Management Systems</i></p> <p>Florida Department of Management Services Rule 60DD-2.004 <i>Logical and Data Access Controls</i>, Florida Administrative Code, stipulates each user of a multiple-user information resource shall be assigned a unique personal identifier that shall be authenticated before access is granted. Additionally, a user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.</p> <p>Florida Department of Management Services Rule 60DD-2.005 <i>Data and System Integrity</i>, Florida Administrative Code, stipulates that test functions shall be separate from production functions and that all program changes shall be approved before implementation to determine whether they have been authorized, tested, and documented.</p> <p>Information Technology (IT) Industry Standards:</p> <p style="padding-left: 40px;">IT Governance Institute <i>Control Objectives for Information Technology (COBIT 4.1)</i>:</p> <p style="padding-left: 80px;">DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.</p> <p style="padding-left: 80px;">AI7.6 Testing of Changes – Changes should be tested independently prior to migration to the operational environment.</p> <p style="padding-left: 80px;">PO8.2 IT Standards and Quality Practices – Standards, procedures and practices for key IT processes should be identified and maintained.</p>
<b>Condition</b>	<p>FDOE staff used two IT applications within FMIS to record funding allocations to subgrantees (D502) and to monitor expenditures reported by subgrantees (D503). FDOE also used information from FMIS for financial reporting and to demonstrate compliance with earmarking requirements. Additionally, subgrantees used FMIS to request funds for Federal programs, including the following major Federal programs:</p> <p style="padding-left: 40px;">84.002 – Adult Education – State Grant Program</p> <p style="padding-left: 40px;">84.010 – Title I Grants to Local Educational Agencies (LEAs)</p> <p style="padding-left: 40px;">84.027 – Special Education – Grants to States</p> <p style="padding-left: 40px;">84.048 – Career and Technical Education – Basic Grants to States</p> <p style="padding-left: 40px;">84.173 – Special Education – Preschool Grants</p> <p style="padding-left: 40px;">84.287 – Twenty-First Century Community Learning Centers</p> <p style="padding-left: 40px;">84.357 – Reading First State Grants</p> <p style="padding-left: 40px;">84.365 – English Language Acquisition Grants</p> <p style="padding-left: 40px;">84.367 – Improving Teacher Quality State Grants</p> <p>As described below, we noted deficiencies in FDOE procedures related to the authorization of program changes, security access, and documenting IT</p>

processes:

- Changes to FMIS programming code were initiated verbally or through e-mails and were not subject to independent testing prior to being placed in production.
- Aspects of FDOE access security controls needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDOE security. Appropriate FDOE personnel have been notified of the issues.
- FDOE did not have written policies and procedures for the systems development and maintenance process and the use of firewalls.

**Cause**

FDOE staff indicated that these two applications, D502 and D503, are old and changes to these systems have been very minimal. During the 2007-08 fiscal year, there were only two program changes for D503 and none for D502.

**Effect**

Absent appropriate system development procedures and access security the integrity of the FMIS data is lessened. Additionally, without written policies and procedures FMIS programmers and users may not have sufficient awareness to ensure effective system operations and security.

**Recommendation**

We recommend that FDOE ensure that the authorization of system changes is adequately documented, that system changes are independently tested prior to being placed into the production environment, and that employee access is appropriately controlled. FDOE should also establish written policies and procedures related to systems development and maintenance and improving access security controls.

**State Agency Response and  
Corrective Action Plan**

As noted in the "Cause," these two system applications are outdated and work on replacing them has been underway for several years. More than one and a half years ago, FDOE presented the system replacement plan to USED staff during their visit to Tallahassee. The Financial Management Information System (FMIS) will be completely replaced by the Cash Advance and Reporting of Disbursements System (CARDS) on July 1, 2009. D502, a component of FMIS, was replaced on July 1, 2008 while the last component, D503, will be phased out by the end of Fiscal Year 2008-2009. Rather than addressing the minor issues with the systems being phased out as noted above, it was determined that efforts and resources should be focused on the replacement systems. All systems development and access security controls have been established and are being incorporated into the documentation of CARDS.

**Estimated Corrective  
Action Date**

Ongoing with all work to be completed by July 1, 2009.

**Agency Contact and  
Telephone Number**

Martha K. Asbury, Director  
Administrative Services  
(850) 245-0420

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-016</b>
<b>CFDA Number</b>	Various
<b>Program Title</b>	<b>Various</b>
<b>Compliance Requirement</b>	Cash Management
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDOE procedures were not adequate to reasonably ensure the documentation of access authorization approval for individuals with access capability to FDOE's On-Line Cash Advance (D-502) Application and the elimination of such access capability when no longer needed.
<b>Criteria</b>	34 CFR 74.17, <i>Certifications and representations</i> ; 34 CFR 80.42(a)(1), <i>Retention and access requirements for records</i> ; FDOE Project Application and Amendment Procedures for Federal and State Programs (Green Book) <i>Section C – Fiscal and Program Accountability</i>
<b>Condition</b>	<p>FDOE procedures provide for the advancement of cash for specified projects to subgrantees as needed to pay current obligations. Accordingly, during the 2007-08 fiscal year, FDOE advanced cash to subgrantees through its D-502 Application for projects funded through various Federal programs including the following major Federal programs:</p> <ul style="list-style-type: none"> <li>84.002 – Adult Education – State Grant Program</li> <li>84.010 – Title I Grants to Local Educational Agencies (LEAs)</li> <li>84.027 – Special Education – Grants to States</li> <li>84.048 – Career and Technical Education – Basic Grants to States</li> <li>84.173 – Special Education – Preschool Grants</li> <li>84.287 – Twenty-First Century Community Learning Centers</li> <li>84.357 – Reading First State Grants</li> <li>84.365 – English Language Acquisition Grants</li> <li>84.367 – Improving Teacher Quality State Grants</li> </ul> <p>FDOE did not have written procedures regarding the authorization of persons who could request cash advances. However, based on our inquiries and review of FDOE records, we noted that FDOE required each subgrantee to complete and submit a Federal Cash Advance Electronic Request (Input Application) that provided the names of users who, on behalf of the subgrantee, would be authorized and held accountable for accessing the D-502 Application. FDOE staff were to approve the Input Application, assign a user number and password for the authorized user to gain access to the D-502 Application, and file a copy of the Input Application. FDOE staff indicated that FDOE mailed letters in March 2007 to the subgrantees' finance officers requesting confirmation of the authorized users. FDOE was to maintain a file of the responses from the subgrantees.</p> <p>We examined FDOE records pertaining to three cash advances totaling \$91,935,913, made to 38 subgrantees through the D-502 Application. Our audit procedures included reviewing FDOE records to determine whether there was evidence to support that the persons requesting funds were authorized. We noted that for 25 of the 38 subgrantees, FDOE did not maintain either the Input Application or a confirmation letter to support that the users were authorized to request cash through the D-502 Application.</p>
<b>Cause</b>	FDOE management indicated that some subgrantees responded via email and telephone calls and this communication was not maintained on file and is now inaccessible.

<b>Effect</b>	Absent a complete and current listing of authorized users for applicable electronic information systems, FDOE may advance funds based on the requests of unauthorized users.
<b>Recommendation</b>	FDOE should establish written procedures to ensure that the authorization of all persons with access capabilities to applicable information technology applications is documented on a current basis and that access capabilities of persons who no longer need access are promptly removed.
<b>State Agency Response and Corrective Action Plan</b>	On July 1, 2008, the On-Line Cash Advance (D-502) Application was replaced with a web based application, Cash Advance and Reporting of Disbursements System (CARDS). Work on this application has been underway for several years. Given these circumstances, it was determined that efforts and resources should be focused on the replacement system rather than the system being phased out. Information to maintain current users with D-502 was neither necessary or required since this application is no longer in production. Authorization and access procedures have been established for CARDS. These procedures are being enhanced and fully documented.
<b>Estimated Corrective Action Date</b>	CARDS was completed and implemented on July 1, 2008. Enhanced authorization and access controls and associated documentation will be complete by July 1, 2009.
<b>Agency Contact and Telephone Number</b>	Martha K. Asbury, Director Administrative Services (850) 245-0420

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-017</b>
<b>CFDA Number</b>	84.002 and 84.048
<b>Program Title</b>	<b>Adult Education – State Grant Program</b> <b>Career and Technical Education – Basic Grants to States (Perkins IV)</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	V002A070009 2007 and V048A070009A 2007
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-019
<b>Finding</b>	The significant deficiency disclosed in the prior audit regarding FDOE's untimely on-site monitoring of subgrantees continued to exist during the 2007-08 fiscal year.
<b>Criteria</b>	34 CFR 80.40(a), <i>Monitoring and reporting program performance</i> ; OMB Circular A-133, §__400 (d), <i>Pass-through entity responsibilities</i>  FDOE Adult Education/Perkins Compliance Monitoring Review Fiscal Year 2006-07 Self-Review Instructions provide that approximately 20 percent of all the funded grant recipients (grantees) will be selected for compliance monitoring each year, with all grantees being monitored at least once during each five year cycle. Compliance monitoring includes on-site visits.
<b>Condition</b>	In audit report No. 2008-141, finding No. FA 07-019, we disclosed that FDOE had not adhered to its monitoring schedule that was established to ensure that all subgrantees would be monitored at least once during each five year cycle. We reported that FDOE completed on-site monitoring in only 4 of the 15 counties that were scheduled for compliance monitoring reviews during the 2006-07 fiscal year.  Our current review disclosed that FDOE had not conducted any on-site monitoring activities during the 2007-08 fiscal year. Additionally, for the Career and Technical Education Program, FDOE had not required the subgrantees to complete any self-assessments. FDOE management indicated that actions had been taken to hire a Director of Quality Assurance and to prepare policies and procedures, but that corrective actions had not been fully implemented.
<b>Cause</b>	Corrective actions planned and communicated by FDOE in response to the prior audit had not been fully implemented during the 2007-08 fiscal year.
<b>Effect</b>	FDOE and USED had limited assurance that the subgrantees had administered the grant supported activities in accordance with Federal and State requirements.
<b>Recommendation</b>	We recommend that FDOE finalize its implementation efforts and ensure that on-site monitoring and self assessments are performed in a timely manner.
<b>State Agency Response and Corrective Action Plan</b>	Due to a major organizational change in the Fall of 2006, Workforce Education (previously included as a subdivision of the Division of Community Colleges) became a separate Division and in March 2007, a Chancellor was appointed to head the Division. Additionally, other personnel shifts within the newly created Division led to the curtailment of on-site compliance visits. Other compliance monitoring activities continued such as in-depth grant application reviews, desk top reviews, review of single audit findings, and the provision of technical assistance and training. Program managers continue to communicate with individual agencies regarding the progress of the implementation of grant awards. Additional actions have been taken by the Bureau of Grants Administration and Compliance, Division of Workforce Education.  The need for a multi-dimensional and comprehensive system necessitated the hiring of a compliance specialist with more in-depth compliance knowledge and

experience. A Director of Compliance/Quality Assurance was hired on August 22, 2007. The Director provides leadership and supervision in the development, design and implementation of a Quality Assurance system to address compliance and monitoring within the Division of Workforce Education.

A risk-based system was developed. The system is contained in the Monitoring Policies, Procedures, and Protocols developed for each program, Adult Education and Family Literacy and Career and Technical Education. Some of the agencies that are demonstrating the lowest performance on core measures/indicators and at higher risk based on a risk matrix will be visited on-site to monitor compliance with applicable federal law and regulations, state statutes and rules. Additional monitoring strategies were developed and may also be implemented including such activities as the completion of a self assessment, the development of system improvement plans or corrective action plans. The assigned monitoring strategy for other agencies will be based on the results of a data review of performance and other designated risk factors. On-site visits began in September 2008. As of the date of this response, monitoring teams have completed six (6) of eleven (11) scheduled on-site visits. Both Adult Education and Family Literacy and Career and Technical Education programs are monitored. Monitoring takes place from September through May.

Regarding the self assessment referenced in the finding, it should be noted that there are two types of "self-assessments" included in the overall compliance and monitoring system - one is part of the subrecipient application process and the other is part of the monitoring process. Self-assessment was not required in the application process for Career and Technical Education programs; however, based upon the discussions and recommendation of the auditor, it will be included in the 2009-10 subrecipient application process. In order to distinguish this activity from the self assessment that is an element of the monitoring process, it will be included as a "self evaluation" in the application process.

The self assessment contained in the 2008-09 Quality Assurance Policies, Procedures, and Protocols (monitoring) is a different tool and may be used as a monitoring strategy for selected subrecipients. It is not intended to be required of each subrecipient.

**Estimated Corrective  
Action Date**

July 15, 2008 – Quality Assurance Policies, Procedures, and Protocols were published

September 15, 2008 – Implementation of on-site monitoring visits

May 2009 - The "self evaluation" will be included in the 2009-10 application process for Career and Technical Education

**Agency Contact and  
Telephone Number**

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## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-018</b>
<b>CFDA Number</b>	84.048
<b>Program Title</b>	<b>Career and Technical Education – Basic Grants to States (Perkins IV)</b>
<b>Compliance Requirement</b>	Matching, Level of Effort, and Earmarking
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	V048A070009 2007
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-027
<b>Finding</b>	As of June 30, 2008, FDOE had not fully resolved the issues initially disclosed in audit report No. 2005-158, finding No. FA 04-031, regarding its ability to demonstrate compliance with the matching and level of effort requirements for State administration.
<b>Criteria</b>	34 CFR 80.40(b)(1)(4), <i>Annual Performance Report</i> ; 34 CFR 80.41 <i>Financial Status Report (FSR)</i> ; 34 CFR 403.181, <i>Cost sharing requirements</i> ; 34 CFR 403.182, <i>Maintenance of fiscal effort requirement</i>
<b>Condition</b>	<p>In prior audits, we disclosed control deficiencies regarding documentation of FDOE's efforts to meet the matching and maintenance of effort requirements. In its Summary Schedule of Prior Audit Findings as of June 30, 2008, FDOE management stated that, on May 27, 2008, FDOE received a Program Determination Letter (PDL) from USED relative to finding No. FA 04-031. FDOE successfully appealed the monetary determination of \$209,046.50 in this PDL but was to submit to USED appropriate corrective action plans for the remainder of the determination. The remaining pending corrective actions pertained to FDOE's internal controls and procedures for properly documenting its salary and other costs that it allocates to meeting the matching and level of effort requirements for the Program. More specifically, USED required FDOE to:</p> <ul style="list-style-type: none"> <li>• Adopt new written policies and procedures for calculating and documenting its non-Federal costs for State administration of grants under Perkins IV, to show FDOE's compliance with sections 112(b) and 323(a) of Perkins IV (Public Law No. 109-270). USED required that the new policies and procedures generate a revised level of effort worksheet that fully demonstrates compliance and that is reconciled to supporting records and underlying processes.</li> <li>• Adopt written policies and procedures related to positions considered to be "dedicated functions", and seek USED's approval before implementing.</li> <li>• Amend its Personnel Activity Reporting (PAR) System, and seek USED's approval before implementing such amendments, to reflect FDOE's current cost objectives and organizational structure and to require PAR forms for supervisors and clerical staff.</li> <li>• Amend its level of effort procedures, and seek USED's approval before implementing such amendments, in part, to indicate that FDOE will not include any State leadership costs in its non-Federal matching and level of effort calculations unless an employee's salary costs or a non-payroll cost is supported as being allocable to both State leadership and State administration in the same manner as required for costs charged directly to Federal grants.</li> </ul> <p>Because the required corrective actions pertained to procedures and records to be used for demonstrating compliance with the matching and level of effort requirements for State administration, and no such conforming procedures and records were in place for the fiscal year ended June 30, 2008, it was not practical in the circumstances for us to test compliance with the Matching, Level of Effort, and Earmarking Compliance Requirement in regard to State administration</p>

	expenditures.
<b>Cause</b>	As noted in the Summary Schedule of Prior Audit Findings, FDOE did not agree with the findings disclosed in the prior audit reports and had delayed corrective actions pending a USED determination.
<b>Effect</b>	Procedural changes and records necessary to fully demonstrate compliance with matching and level of effort requirements had not been implemented as of June 30, 2008.
<b>Recommendation</b>	Once FDOE and USED resolve the issue as to the required corrective actions, we recommend that FDOE implement the approved correction action.
<b>State Agency Response and Corrective Action Plan</b>	On May 27, 2008, FDOE received a Program Determination Letter (PDL) from the USED, Office of Vocational and Adult Education, regarding the original finding FA 04-031. It should be noted that the original finding addresses expenditures dating back to 2001-02. FDOE responded to this PDL on August 7 and again on October 27, 2008. Subsequently, a telephone conference call was held on January 15, 2009, with representatives of the USED to clarify portions of the required corrective actions. At that time, it was agreed that the various offices of USED and FDOE would re-enter the Cooperative Audit Resolution Initiative (CAROI) process to address the original finding as well as the related findings in subsequent audit reports. Upon completion of the CAROI process, FDOE will implement any agreed upon corrective actions that have not already been implemented over the past several years.
<b>Estimated Corrective Action Date</b>	Upon completion of CAROI process - to be jointly determined by USED and FDOE.
<b>Agency Contact and Telephone Number</b>	Martha K. Asbury, Director Administrative Services (850) 245-0420

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-019</b>
<b>CFDA Number</b>	84.010
<b>Program Title</b>	<b>Title I Grants to Local Educational Entities</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	S010A070009A 2007
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDOE did not complete a follow-up review of documentation that evidenced the implementation of the corrective actions taken by its subgrantees regarding areas of noncompliance disclosed in monitoring reports.
<b>Criteria</b>	<p>34 CFR 80.40(a), <i>Monitoring and reporting program performance</i>; OMB Circular A-133 § 400(d), <i>Pass-through entity responsibilities</i></p> <p>FDOE Internal Operating Procedures Monitoring of Local Educational Agency (LEA) Program (2007-2008 Technical Assistance Paper) provides in part that upon finalization of a monitoring review, the subgrantee must develop and provide a System Improvement Plan to FDOE acknowledging that findings of partial compliance or noncompliance are correct and agreeing to correct the findings. The System Improvement Plans are to serve as a comprehensive plan of action, outlining the key components of the necessary system improvements that will ensure compliance with Federal requirements. Evidence that each System Improvement Plan from the previous year has been implemented must be forwarded to FDOE.</p>
<b>Condition</b>	During the 2007-08 fiscal year, seven LEAs submitted a System Improvement Plan to address findings noted in the 2006-07 monitoring reports. However, with the exception of one LEA, FDOE staff had not obtained and reviewed documentation evidencing the implementation of the System Improvement Plans.
<b>Cause</b>	Personnel changes within FDOE contributed to staff's inconsistent level of adherence to established procedures.
<b>Effect</b>	FDOE was unable to demonstrate that the subgrantees had taken corrective actions that ensured full adherence to the Program requirements.
<b>Recommendation</b>	FDOE management should ensure that its procedures are followed.
<b>State Agency Response and Corrective Action Plan</b>	<p>FDOE has developed and implemented a system to track the receipt and approval of System Improvement Plans. Once LEAs submit documentation, FDOE staff approve the action taken and documentation provided as evidence that the LEA is in compliance with federal requirements. The tracking system has been placed on a shared drive, so that all program staff can track progress.</p> <p>A template was also developed as a second means of assuring that follow-up occurs. In October 2008, LEAs were required to list all System Improvement Plans and the actions taken, and to provide supporting documentation. FDOE reviewed and approved the information provided. The template will be sent to LEAs quarterly, for an update on the progress of activities, and documentation.</p> <p>FDOE is also conducting follow-up monitoring activities in February 2009, for two LEAs found to have significant compliance deficiencies, to review activities and supporting documentation to ensure that these districts come into compliance.</p> <p>For the 2008-09 FDOE monitoring cycle, completion of the System Improvement Plans was built in to the online monitoring system. For the 2009-10 monitoring cycle, LEAs will actually upload the documentation into the system for FDOE review and approval. This improved system is currently in production.</p>

**Estimated Corrective  
Action Date**

All processes, with the exception of the 2009-10 online monitoring system that requires LEAs to upload documentation, have been completed. The 2009-10 system will be operational in September 2009. All evidence that 2008-09 System Improvement Plans were implemented is due to be submitted to FDOE with the 2009-10 Self-Evaluation Certifications in September 2009.

**Agency Contact and  
Telephone Number**

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## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-020</b>
<b>CFDA Number</b>	84.126
<b>Program Title</b>	<b>Rehabilitation Services – Vocational Rehabilitation Grants to States (VR)</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b> <b>Division of Vocational Rehabilitation (DVR)</b> <b>Division of Blind Services (DBS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	H126A070086 2007, H126A070087 2007, H126A080086 2008, and H126A080087 2008
<b>Finding Type</b>	Significant Deficiency Questioned Costs – \$2,327.03 (H126A070086, \$508.85; H126A070087, \$304.00; H126A080086, \$719.18; and H126A080087, \$795.00)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-030
<b>Finding</b>	FDOE did not always authorize expenditures for client services in a timely manner and in one instance authorized excess travel expenditures.
<b>Criteria</b>	34 CFR 361.50(e), <i>Written policies governing the provision of services for individuals with disabilities. Authorization of Services</i>  Section 112.061(7) Florida Statutes, <i>Transportation</i>
<b>Condition</b>	According to DVR written procedures related to the nature and scope of vocational rehabilitation services, the authorization for such services is generally required to be documented prior to or at the same time they are provided or purchased, except in certain situations. Similarly, DBS written procedures state that services must be authorized prior to service provision.  During the 2007-08 fiscal year, FDOE expended \$79,065,787 for DVR client services and \$12,724,726 for DBS client services. We examined 30 client services expenditures totaling \$6,365.99 (\$4,928.19 for 21 DVR-related expenditures and \$1,437.80 for 9 DBS-related expenditures). Our review disclosed that invoices for 12 of these expenditures (9 for DVR and 3 for DBS) totaling \$1,852.68 were authorized or approved by the supervisor 1 to 56 days after the services were provided or completed. For one additional invoice for services to a DVR client, totaling \$443.20, there was no date of authorization on file.  We also examined 5 general expenditures totaling \$605.86 and noted one instance in which a DVR traveler claimed and received payment for excessive mileage. Subsequent to audit inquiry, FDOE staff requested and received a refund for the overpayment of \$31.15. Total expenditures during the 2007-08 fiscal year for mileage reimbursements was \$415,125.
<b>Cause</b>	Established procedures with regard to the authorization of client services and the payment of transportation expenses were not followed by personnel.
<b>Effect</b>	Unauthorized services may be provided, absent approval and authorization prior to or at the time of service delivery.
<b>Recommendation</b>	We recommend that FDOE ensure adherence to prescribed procedures regarding the authorization and approval of client services. In addition, we recommend that FDOE more closely monitor the accuracy of claims for reimbursement of transportation costs.
<b>State Agency Response and Corrective Action Plan</b>	The Division continues to address adherence to prescribed procedures for client services authorizations at Supervisor Meetings, New Counselor Training, through communication with area directors and counselor performance reviews. Area Directors will be required to review monthly Financial Exceptions reports and address patterns of error. The activities are ongoing.

	Instructions regarding the adherence to prescribed travel procedures were re-sent to the field offices, with particular emphasis on map mileage claims.
<b>Estimated Corrective Action Date</b>	Ongoing, regarding client services authorizations.
	Instruction regarding the reimbursement of map mileage for travel was re-sent to area field offices on February 9, 2009.
<b>Agency Contact and Telephone Number</b>	Martha K. Asbury, Director Administrative Services (850) 245-0420

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-021</b>
<b>CFDA Number</b>	84.126
<b>Program Title</b>	<b>Rehabilitation Services – Vocational Rehabilitation Grants to States (VR)</b>
<b>Compliance Requirement</b>	Eligibility
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b> <b>Division of Vocational Rehabilitation (DVR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Other
<b>Finding</b>	As a result of a fire, DVR does not have complete case files.
<b>Criteria</b>	34 CFR 361.41(b), <i>Processing referrals and applications</i> ; 34 CFR 361.45(d)(3), <i>Development of the individualized plan for employment</i>  In order to receive vocational rehabilitation services, individuals are to submit an application and for the application to be considered, the individual or the individual's representative, as appropriate, must have completed and signed the agency application. Additionally, an individualized plan for employment (IPE) is to be developed and implemented for each individual determined to be eligible for vocational rehabilitation services. The IPE is to be agreed to and signed by the eligible individual or the individual's representative, as appropriate, and approved and signed by a qualified vocational rehabilitation counselor employed by the FDOE.
<b>Condition</b>	During our examination of DVR case records, it was brought to our attention that case files had been destroyed in a fire that occurred on December 21, 2007. FDOE staff estimated that 330 active case files and 1,800 closed case files were destroyed in the fire. Although DVR could provide eligibility-related information from the Rehabilitation Information Management System (RIMS), this information does not include the individual's signed application, the authorization for release of information, and the IPE containing the signature of the eligible individual or the individual's representative, as appropriate, and approval and signature of a qualified vocational rehabilitation counselor.
<b>Cause</b>	Vocational Rehabilitation case records were destroyed by a fire on December 21, 2007, which was ruled by the State Fire Marshall to have been accidental.
<b>Effect</b>	To the extent that case files were destroyed by fire, Vocational Rehabilitation records do not contain a complete application, authorization of the release of medical information, or an executed IPE.
<b>Recommendation</b>	We recommend that FDOE consult with USED as to what actions should be taken, if any, to replace the destroyed records.
<b>State Agency Response and Corrective Action Plan</b>	FDOE has consulted with USED as to what actions should be taken when case files are destroyed by a fire. As a result of the fire the case files do not contain the individual's signed application, the authorization for release of information, and the IPE containing the signature of the eligible individual or the individual's representative, as appropriate, and approval and signature of a qualified vocational rehabilitation counselor. FDOE is waiting for the USED response.
<b>Estimated Corrective Action Date</b>	Upon receipt of response from USED
<b>Agency Contact and Telephone Number</b>	Martha K. Asbury, Director Administrative Services (850) 245-0420

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-022</b>
<b>CFDA Number</b>	84.126
<b>Program Title</b>	<b>Rehabilitation Services – Vocational Rehabilitation Grants to States (VR)</b>
<b>Compliance Requirement</b>	Reporting
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b> <b>Division of Blind Services (DBS)</b> <b>Division of Vocational Rehabilitation (DVR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	H126A070086 2007 and H126A070087 2007
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-034
<b>Finding</b>	FDOE did not accurately report data listed on the Annual VR Program/Cost Report (RSA-2).
<b>Criteria</b>	Rehabilitation Services Administration Policy Directive RSA-PD-06-08, <i>RSA 2 – Annual Vocational Rehabilitation Program/Cost Report</i> ; 34 CFR 361.40, <i>Reports</i>
<b>Condition</b>	<p>As the State agency responsible for administering the VR Program in Florida, FDOE is required to submit the RSA-2 report to USED on an annual basis. Data submitted on the RSA-2 report includes financial and program information and is used by USED to administer and manage the Program. The RSA-2 report is to include all expenditures made from obligations incurred during the specified period from all Federal, State, and other rehabilitation funds, including Section 110 Federal funds and program income that were carried over from the previous fiscal year. The RSA-2 report consists of five schedules:</p> <ul style="list-style-type: none"> <li>• Schedule I – Total Expenditures</li> <li>• Schedule II – Number of Individuals Served and Expenditures by Service Category</li> <li>• Schedule III – Person Years</li> <li>• Schedule IV – Expenditures from Title VI-B Funds and Other Rehabilitation Funds</li> <li>• Schedule V – Carryover Funds</li> </ul> <p>The 2007 RSA-2 reports prepared by DBS and DVR included data obtained from the Federal Financial Status (SF-269) Report, Florida Accounting Information Resource Subsystem (FLAIR), and either the Accessible Web-based Activity and Reporting Environment (AWARE) system for DBS or the Rehabilitation Information Management System (RIMS) for DVR. AWARE and RIMS are case management systems used by DBS and DVR, respectively, to manage client services. Our examination of the 2007 RSA-2 reports completed by DBS and DVR disclosed several misstatements and incorrect calculations. Specifically, our examination disclosed that:</p> <ul style="list-style-type: none"> <li>• For the DBS RSA-2 report, Schedule III, FDOE incorrectly reported the number of Person Years. As defined in the RSA Policy Directive, Person Years means the actual time that vocational rehabilitation jobs were filled during the period covered by this report. For example, if a job is filled throughout a fiscal year, it counts as one person-year; two jobs each filled half a year would count as one person-year. In calculating the Person Years, DBS counted the positions filled at a point in time that occurred after the reporting period. Consequently, the reported Person Years totaling 264 was overstated by 18 Person Years. We also noted that FDOE reported zero as the Fiscal Year Program Income carried over to the next fiscal year in Schedule V, when it should have reported \$414,556.</li> <li>• For the DVR RSA-2 report, Schedule I, FDOE misstated expenditure amounts for Administration and Services Provided by State VR Agency Personnel. FDOE overstated expenditures for Administration by \$3,938,690 and understated expenditures for Services Provided by State VR Agency</li> </ul>

Personnel by \$3,938,690. On Schedule II, for "All Other," the Number of Individuals Served (10,670), FDOE did not include the number of individuals receiving services within a group setting (for example, conference participants provided with interpreter services). Additionally, as similarly noted above in regard to the DBS report, based on DVR's stated methodology, the DVR report may have incorrectly reported Person Years in Schedule III as totaling 932. Person Years on Schedule III consists of four categories with a total. It was not practicable, at this time, to attempt to recalculate the correct Number of Individuals Served or Person Years for the DVR RSA-2.

**Cause**

FDOE did not compare and verify that the Fiscal Year Program Income carried over to the next fiscal year reported on the DBS RSA-2 agreed with that reported on the DBS SF-269 and FLAIR.

FDOE did not have written policies and procedures to ensure that all calculations were performed correctly and amounts reported on the DVR RSA 2 were accurate.

With respect to the DVR report, FDOE utilized RIMS to obtain the Number of Individuals reported as served under "ALL Other", on Schedule II, although RIMS is not used to account for individuals being served in group settings.

With respect to both the DBS and DVR reports, FDOE did not determine the amount of time during the reporting period that positions were filled.

**Effect**

The failure to provide accurate reports may limit the ability of USED to properly administer the Program.

**Recommendation**

We recommend that the FDOE ensure that amounts to be reported are reconciled with the accounting records, the Federal Financial Status Reports, and the applicable case management system. We also recommend that FDOE develop written policies and procedures to facilitate the preparation of the DVR RSA-2.

We also recommend that FDOE revise its methodology to ensure that the Number of Individuals served under "All Other", on Schedule II, include individuals being served in group settings and that Number of Person Years is based on the amount of time during the reporting period that the positions were filled.

**State Agency Response and Corrective Action Plan**

FDOE has enhanced its written procedures in the collecting and reporting of the RSA-2 to ensure that information is accurate and timely. Additionally, FDOE has changed its methodology on the collection of data for Schedule II (Number of Individuals) to ensure that information is reported on actual time by filled positions. Amounts to be reported are reconciled with the accounting records, the Federal Financial Status Reports, and the applicable case management system.

**Estimated Corrective Action Date**

Completed December 31, 2008.

**Agency Contact and Telephone Number**

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## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-023</b>
<b>CFDA Number</b>	84.126
<b>Program Title</b>	<b>Rehabilitation Services – Vocational Rehabilitation Grants to States (VR)</b>
<b>Compliance Requirement</b>	Reporting
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b> <b>Division of Blind Services (DBS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	H126A060087 2006
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-033
<b>Finding</b>	Our review of the final DBS Financial Status Report (SF-269) disclosed that amounts were incorrectly reported.
<b>Criteria</b>	USED Technical Assistance Circular
<b>Condition</b>	<p>USED required the submission of the SF-269 report to monitor the financial status of the Program and to assess compliance with the Program's fiscal requirements. We noted that the DBS final SF-269 report for the Federal grant period October 1, 2005, through September 30, 2007, had originally been filed on July 26, 2007, and then revised on August 8, 2008. In response to audit inquiry, FDOE staff indicated that the original report contained errors and was resubmitted.</p> <p>Our examination of the August 8, 2008, report disclosed errors in the reporting of program income and indirect expense. FDOE reported \$213,822, \$1,631,542, and \$1,284,023 as the amounts for undisbursed program income, total indirect expenses, and the Federal share of indirect expenses, respectively. However, these amounts were overstated by \$213,822 (undisbursed program income), \$543,590 (total indirect expenses), and \$427,803 (Federal share of indirect expenses). Subsequent to audit inquiry, FDOE staff resubmitted a revised report on October 23, 2008, to correctly report the undisbursed program income and indirect expense amounts.</p>
<b>Cause</b>	The errors in the report were due to incorrect formulas in the spreadsheet that FDOE used to collect the data and prepare the SF-269 report.
<b>Effect</b>	The usefulness of the Federal report is diminished when inaccurate information is reported.
<b>Recommendation</b>	We recommend that FDOE correct the formulas in its spreadsheet and ensure that SF-269 reports are accurate.
<b>State Agency Response and Corrective Action Plan</b>	As noted in the "Condition," the errors were immediately corrected and a revised report submitted to the USED. As evidenced by the submissions of the SF-269 for the 2007 and 2008 federal awards, FDOE has enhanced its procedures to ensure that the collection and reporting of fiscal data is accurate and timely.
<b>Estimated Corrective Action Date</b>	Completed October 31, 2008.
<b>Agency Contact and Telephone Number</b>	Martha K. Asbury, Director Administrative Services (850) 245-0420

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-024</b>
<b>CFDA Number</b>	84.181 and 93.558
<b>Program Title</b>	<b>Special Education - Grants for Infants and Families Temporary Assistance for Needy Families</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles and Subrecipient Monitoring
<b>State Agency and State Educational Entity</b>	<b>Florida Department of Health (FDOH) University of Florida (UF)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	H181A050099 2005, H181A060099 2006, and H181A070099 2007
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$2,767,534 (CFDA No. 84.181, \$1,880,927 and CFDA No. 93.558, \$886,607)
<b>Finding</b>	Contrary to State law, FDOH made payments to a health science center affiliate (component unit) of UF that was not a party to the contract under which the payments were made.
<b>Criteria</b>	<p>OMB Circular A-87(C.1.c), which states that costs must “be authorized or not prohibited under State or local laws or regulation;” and Florida Statute 287.058(2), which states “The written agreement shall be signed by the agency head and the contractor.”</p> <p>OMB Circular A-133, §__.400(d), <i>Pass-Through Entity Responsibilities</i></p> <p>A party as subrecipient under contract to administer Federal programs has a responsibility to monitor the activities of entities receiving and expending such funds on its behalf, as necessary, to ensure that performance goals are achieved and Federal program funds are used for authorized purposes in accordance with Federal, State, and other applicable laws and regulations, and the provisions of contracts or grant agreements.</p> <p>UF Directives and Procedures 5.1 and 5.3, <i>Contracts and Grants Accounting, Introduction and Contract Information (5.1), Activation of Gift, Grant, or Contract (5.3)</i>; UF Office of Research Handbook, <i>Contracts, Grants, and Cooperative Agreements</i></p>
<b>Condition</b>	<p>FDOH entered into a contract not to exceed \$8,745,651 with the UF Board of Trustees for the Early Steps Program, for the period July 1, 2005, through June 30, 2008. However, contrary to the contract terms, FDOH disbursed grant funds to UF Jacksonville Physicians, Inc. (UFJP), a component unit (CU) of UF, instead of paying UF. Consequently, the grant funds were not processed through UF’s general accounting function.</p> <p>Our examination of this contract at UF (contract no. COQJZ) disclosed that a UF employee entered into the contract with FDOH, on behalf of the institution, without the institution’s Division of Sponsored Research and Contracts and Grants Accounting Services’ knowledge, contrary to institution policy. Contract services were provided by the Shands College of Medicine, Department of Pediatrics in Jacksonville. UFJP, served as fiscal agent. During the 2007-08 fiscal year Federal expenditures by UFJP, pertaining to the Early Steps Program totaled \$2,767,534.</p> <p>Although the contract was administered by UFJP, no formal agreements were executed by UF with the CU. UF was, therefore, unaware that Federal funds were being expended and the expenditures of those Federal funds were not subjected to UF’s internal control processes and general oversight. The risk of other inappropriate contracting exists and errors and omissions may occur without detection.</p>

<b>Cause</b>	The contract was not processed by the appropriate UF contracting authority which resulted in an incorrect payment address that directed payments to UF's CU instead of UF's DSR and Contracts and Grants Accounting Services.
<b>Effect</b>	<p>FDOH did not monitor the contract and since established UF controls were bypassed, the contract was not subject to monitoring by UF. Also, expenditures at UFJP were not subject to audit as required by OMB Circular A-133. In addition, UF's Schedule of Expenditures of Federal Awards (SEFA) data form was understated by \$2,767,534.</p> <p>Failure to subject Federal contracts to oversight and controls increases the risk of questioned costs, for which FDOH and UF, as the contracting parties, may be liable. Without adequate review of invoices and supporting documentation through monitoring and audit activities, there is reduced assurance that amounts paid from Federal program funds were used for allowable activities and that applicable costs were necessary, reasonable, and documented in compliance with Federal regulations and State grant requirements.</p>
<b>Recommendation</b>	<p>FDOH should implement adequate procedures to ensure that payments for all Federal contracts go directly to the party stated in the contract. Also, FDOH should enter into a subaward agreement with the CU if it is necessary for the funds to go directly to the CU.</p> <p>UF should follow established directives and procedures to ensure that Federal contracts for which UF has responsibility are executed by the appropriate contracting authority and subjected to the institution's oversight and controls.</p> <p><b><u>Florida Department of Health</u></b></p>
<b>State Agency Response and Corrective Action Plan</b>	<p>Concur. The payments were made erroneously to an affiliate of the University of Florida.</p> <p>FDOH will implement the following measures to further strengthen the payment process of contracts:</p> <ol style="list-style-type: none"> <li>1. Amend CMS contract to ensure that payments are made and sent to the contractual entity name as specified in the contract.</li> <li>2. Require contractual providers to submit a W-9 form to ensure that the name of the legal entity and FEID number agrees.</li> <li>3. Enhance existing procedures within the Contract Disbursements section to ensure agreement between the remittance address and Contractual Entity Name.</li> </ol>
<b>Estimated Corrective Action Date</b>	June 30, 2009
<b>Agency Contact and Telephone Number</b>	<p>Gary Mahoney (850) 245-4149</p> <p><b><u>University of Florida</u></b></p>
<b>UF Response and Corrective Action Plan</b>	The University will notify all UF contracting authorities of the established directives and procedures.
<b>Estimated Corrective Action Date</b>	February 1, 2009
<b>UF Contact and Telephone Number</b>	<p>Dr. Tom Walsh, Director Division of Sponsored Research (352) 392-3516</p>

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-025</b>
<b>CFDA Number</b>	84.357
<b>Program Title</b>	<b>Reading First State Grants</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Educational Entity</b>	<b>University of Central Florida (UCF)</b>
<b>Administering State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	481-2137A-7CP01 July 31, 2006 – September 30, 2007 481-2138A-8C001 July 27, 2007 – October 31, 2008
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$21,646.05 (\$4,825.09 grant No. 481-2137A-7CP01 and \$16,820.96 grant No. 481-2138A-8C001)
<b>Finding</b>	The institution's time-and-effort reports were not adequate to meet Federal reporting requirements.
<b>Criteria</b>	OMB Circular A-21, Sections C., <i>Basic Considerations</i> and J. 10.c.(2), <i>Compensation for Personal Services</i>  Federal regulations require that when an institution uses time cards or other forms of after-the-fact payroll documents as original documentation for payroll and payroll changes, such documents shall qualify as an acceptable method for payroll distribution if they meet the requirements in subsections J.10.c.(2)(a) through(e) which includes that reports will reflect an after-the-fact reporting. Additionally, Federal regulations require that the after-the-fact time-and-effort reports accurately reflect the actual time spent by the individual on each grant.
<b>Condition</b>	Payroll timesheets were utilized by the institution as after-the-fact time-and-effort reports for employees that were compensated on an hourly basis. For 5 of 12 employees tested we noted the following: <ul style="list-style-type: none"> <li>For two of the employees tested that reported time-and-effort using timesheets, the time certified by the employees did not support the time spent and amount charged by the employees on the grants (\$4,748.46 on grant No. 481-2137A-7CP01 and \$16,598 on grant No. 481-2138A-8C001). Based on the Personnel Action Forms, both of the employees split their time 50 percent to the Federal grant and 50 percent to a State funded grant. The timesheets, however, showed 100 percent of the time worked pertained to the State grant although grant personnel indicated that the two employees split their time 50 percent to each grant.</li> <li>Another employee received a salary increase; however, the total amount of the increase was charged to the Federal grant instead of being split between the Federal and State grant resulting in an overcharge of \$76.63 to grant No. 481-2137A-7CP01.</li> <li>For two hourly employees, timesheets for one pay period each, were signed by the employees, and approved by their supervisors, prior to the end of the pay period for which the certifications applied. The amount of time certified prior to the days being worked for the two employees totaled 18.25 hours, at a cost of \$222.96 (grant No. 481-2138A-8C001).</li> </ul>
<b>Cause</b>	Employees did not always follow the institution's procedures requiring separate timesheets for multiple projects or activities to comply with Federal regulations for after-the-fact time-and-effort reporting. Additionally, timekeeping procedures for hourly employees allowed for the reporting of estimated hours to be worked prior to the end of the pay period without adequate supervisory follow-up to ensure that hours reported agreed to actual hours worked.

<b>Effect</b>	The information on the time-and-effort reports may not be valid due to the early certification of time for hourly personnel. Consequently, salary expenditures may be inappropriately charged to grants and go undetected. Time-and-effort reports that do not accurately reflect the employee's actual time spent on the grant do not support the salary charges incurred by the grant and result in questioned costs.
<b>Recommendation</b>	The institution should enhance its procedures to ensure that separate timesheets are completed for each grant and cost center to which employees provide time-and-effort. The \$76.63 overcharge to grant No. 481-2137A-7CP01 should be corrected and procedures should be implemented for monitoring accurate charges to Federal grants. Also, the institution should enhance their timesheet processing procedures to include after-the-fact supervisory certification of any estimated hours by hourly employees.
<b>UCF Response and Corrective Action Plan</b>	<p>The university agrees the timesheets from two employees did not indicate the time spent on multiple activities. We agree the one pay period salary increase (\$76.63) for one employee was incorrectly prorated to the Federal grant. We also affirm two employees certified a total of 18.25 hours (\$222.96) prior to the end of the pay period.</p> <p><b>Corrective Action Plan - Split-Line Employees:</b></p> <p>The university will retrieve actual timesheet and payroll data for the two employees and require the supervisor to re-certify their split-line assignments. The university will reconcile the re-certified timesheets with the payroll assignments.</p> <p>The university will develop and implement a supplemental time sheet for sponsored activity that accepts hours worked on multiple assignments. The university will develop an enhanced timesheet monitoring program to ensure split-lined employees are properly certifying their assignments.</p> <p><b>Corrective Action Plan - Incorrect Salary Increase Assignment:</b></p> <p>The University will transfer the \$76.63 salary increase assignment overcharge off of Grant No. 481-2137A-7CP01.</p> <p><b>Corrective Action Plan - Timesheet Certification Prior to the End Date:</b></p> <p>The university will retrieve actual timesheet and payroll data for the two employees and require their supervisor to re-certify the 18.25 hours as required. The university will provide supplemental after-the-fact timesheet training to employees and departmental personnel identified in the audit. For clarity, the university will design and implement a monthly timesheet report for employee/supervisor after-the-fact certification in addition to the bi-weekly timesheet. The university will develop an enhanced timesheet monitoring program to ensure timesheet completion reflects after-the-fact certification.</p>
<b>Estimated Corrective Action Date</b>	The university will perform re-certification for the four employees on or before January 30, 2009. Supplemental training will be completed by January 30, 2009. The university will implement the monthly timesheet report for after-the-fact certification and enhanced timesheet monitoring program by March 30, 2009. The university will implement the supplemental timesheet for split-line assignments on or before August 1, 2009.
<b>UCF Contact and Telephone Number</b>	Dr. Thomas O'Neal, Associate Vice President for Research Office of Research and Commercialization (407) 882-1120

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-026</b>
<b>CFDA Number</b>	84.365
<b>Program Title</b>	<b>English Language Acquisition Grants</b>
<b>Compliance Requirement</b>	Matching, Level of Effort, and Earmarking
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	T365A070009 2007
<b>Finding Type</b>	Opinion Qualification, Material Noncompliance, Material Weakness, and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-040
<b>Finding</b>	Subsequent to our prior audit, FDOE initiated changes to its allocation methodology to set aside moneys for the Immigrant Children and Youth Program for the 2007-08 fiscal year; however, these moneys were not available to the subgrantees during the 2007-08 fiscal year.
<b>Criteria</b>	20 USC 6824(d) - <i>Within-State allocations - Required reservations</i> ; USED Correspondence from the <i>Office of English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students, dated July 14, 2005</i> - The funds distributed under Section 3114(d)(1), the Title III Immigrant Children and Youth Program, must be awarded to subgrantees that have experienced a significant increase in the percentage or number of immigrant children and youth within the last two years. States are required to reserve up to 15 percent of their Title III grants for this purpose. At a minimum, States must reserve under Section 3114(d), an amount of money that is large enough to make at least one grant of sufficient scope and size to meet the purposes of this part of the statute. Funds distributed under the Title III Immigrant Children and Youth Program should also be tracked separately from the regular State formula funds awarded under Section 3114(a).
<b>Condition</b>	For the 2007-08 fiscal year, USED awarded FDOE \$40,669,322 for the English Language Acquisition Grants Program. Of this amount, FDOE set aside \$5,795,378 for the Immigrant Children and Youth Program. In March 2008, FDOE developed the district allocation methodology, and in May 2008, FDOE sent the Immigrant Requests for Application via e-mail to qualifying subgrantees. In June 2008, FDOE revised the district allocation schedule after correcting for misreported data. In June and July 2008, the subgrantees submitted their grant applications to FDOE and by August 29, 2008, all applications received by FDOE had been approved.
<b>Cause</b>	Although FDOE was revising its procedures to ensure that funds received under Section 3114(d)(1) of the Title III Children and Youth Program were awarded to the applicable subgrantees, the implementation of the procedures was not completed by June 30, 2008.
<b>Effect</b>	Immigrant children and youth may not have received the enhanced instructional opportunities during the 2007-08 fiscal year that would otherwise have been available had the Immigrant funds been distributed.
<b>Recommendation</b>	We recommend that FDOE ensure that funds for services to immigrant children and youth are provided to subgrantees in a timely manner.
<b>State Agency Response and Corrective Action Plan</b>	Pursuant to the prior audit finding (FA 07-040), the USED attached conditions to the July 1, 2008, Title III, English Language Acquisition Grant, awarded to Florida. The condition related to this audit finding stated, "By August 1, 2008, evidence that Florida made immigrant children and youth subgrant(s) in school year 2007-2008, and a written explanation for Florida's failure to make subgrants required under section 3114(d) in prior years. FDOE submitted the required evidence and explanation and on December 18, 2008, the USED Office of English

Language Acquisition released FDOE from the conditions, stating in part, "Based on the information provided by your State, the Department is pleased to remove the conditions on your State's 2008 Title III grant award." Steps that FDOE has taken in regard to the prior and current audit findings include but are not limited to:

- Establishment of an online application process and associated tracking system to streamline the grants administration process
- Use of a new process for identification of immigrant children and youth
- Development of a detailed written methodology for clear delineation of the process for allocation of funds
- Identification of a staff member to oversee the immigrant subgrants and cross-training of all program staff to ensure that there are no interruptions in the grant administration process
- Actions intended to reduce the time between submission of applications and final project award notifications
- Additional technical assistance to school district staff relative to the grant application process

**Estimated Corrective  
Action Date**

All actions identified above have been completed. Several, such as efforts to streamline the grants administrative process and increased technical assistance, are ongoing.

**Agency Contact and  
Telephone Number**

Martha K. Asbury, Director  
Administrative Services  
(850) 245-0420

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-027</b>
<b>CFDA Number</b>	84.365
<b>Program Title</b>	<b>English Language Acquisition Grants</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	T365A070009 2007
<b>Finding Type</b>	Noncompliance
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-041
<b>Finding</b>	Although progress had been made, FDOE had not fully implemented an effective and efficient monitoring system during the 2007-08 fiscal year.
<b>Criteria</b>	34 CFR 80.40(a), <i>Monitoring and reporting program performance</i> ; OMB Circular A-133, §__400(d), <i>Pass-through entity responsibilities</i>
<b>Condition</b>	Our current review revealed that as part of its monitoring process, FDOE had not completed sufficient monitoring procedures to ensure adequate oversight of the subgrantees administering the Program. On May 12, 2008, FDOE required subgrantees to submit self-monitoring working papers for the 2007-08 school year to its Bureau of Academic Achievement through Language Acquisition by June 16, 2008. However, as of June 30, 2008, only 29 of the 47 sets of self-monitoring working papers had been received by FDOE, and FDOE staff reviews and district notifications had not been completed.
<b>Cause</b>	FDOE's implementation actions were not completed during the 2007-08 fiscal year and have carried over to the 2008-09 fiscal year.
<b>Effect</b>	FDOE and USED have limited assurance that the subrecipients have administered the Federal program in accordance with Federal and State requirements.
<b>Recommendation</b>	We recommend that FDOE continue its efforts to implement effective monitoring procedures.
<b>State Agency Response and Corrective Action Plan</b>	The FDOE put forth a concerted effort to collect all sets of self-monitoring work papers, by follow-up emails, letters and phone calls to the district entitlement directors. By the beginning of August, 2008 every district had submitted their documents. The FDOE has reorganized staff and has in place a more effective tracking plan. The responsible Bureau is working in conjunction with other federal program offices to maintain a systematic approach to monitoring.
<b>Estimated Corrective Action Date</b>	Completed August 1, 2008
<b>Agency Contact and Telephone Number</b>	Martha K. Asbury, Director Administrative Services (850) 245-0420

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-028</b>
<b>CFDA Number</b>	84.367
<b>Program Title</b>	<b>Improving Teacher Quality State Grants</b>
<b>Compliance Requirement</b>	Cash Management
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	S367A060009 2006 and S367B060010A 2006
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-018
<b>Finding</b>	As noted in the prior year audit, FDOE did not have procedures in place to ensure that amounts were accurately reported in the Cash Management Improvement Agreement (CMIA) Annual Report to the Florida Department of Financial Services (FDFS).
<b>Criteria</b>	The Cash Management Improvement Act of 1990; 31 CFR Part 205 §.26, <i>Preparing Annual Reports</i> , and §.27, <i>Calculation of interest costs</i>
<b>Condition</b>	<p>FDOE is required to annually report to FDFS drawdown data related to the receipt of Federal funds for Direct Program Costs, Direct Administrative Costs, Payroll Costs, and Indirect Costs Components. Such information is to be utilized in calculating the State's CMIA interest liability. FDOE submitted the report on October 31, 2007, for the 2006-2007 fiscal year. Our review of the report disclosed that for CFDA No. 84.367 – Improving Teacher Quality State Grants the reported costs totaled \$135,940,464.30. However, we noted the occurrence of several mathematical errors that resulted in an understatement of the amount reported by a total of \$1,350,389.45. Specifically, the calculations for various amounts required the inclusion of consolidated administration pool values (agency grant numbers 1185A, 1186A, and 1187A) which were inadvertently not included in the totals.</p> <p>FDOE indicated in the Summary Schedule of Prior Audit Findings that the prior audit finding related to having adequate procedures to ensure the accuracy of the CMIA Annual Report was fully corrected; however, as described above, we continued to note instances where errors occurred and were not detected through FDOE procedures.</p>
<b>Cause</b>	The level of review performed was not adequate to detect the mistakes.
<b>Effect</b>	Although the error amount was not material to the Program, absent adequate procedures that ensure the accuracy of the data reported to DFS, errors may occur in the State's interest liability calculation.
<b>Recommendation</b>	FDOE management should enhance controls over its reporting procedures to provide for an adequate review prior to submitting the report.
<b>State Agency Response and Corrective Action Plan</b>	As noted in the "Effect," the finding amount was immaterial and did not cause DFS to miscalculate the State's interest liability, DOE has enhanced its review procedures to ensure that all appropriate expenditures are reported accurately and timely on the CMIA.
<b>Estimated Corrective Action Date</b>	Completed November 30, 2008
<b>Agency Contact and Telephone Number</b>	Martha K. Asbury, Director Administrative Services (850) 245-0420

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-029</b>
<b>CFDA Number</b>	84.367
<b>Program Title</b>	<b>Improving Teacher Quality State Grants</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Education (FDOE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	S367A070009A 2007 and S367B070010A 2007
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDOE did not complete a review of corrective actions taken by its subgrantees to address the deficiencies noted in monitoring reports.
<b>Criteria</b>	<p>34 CFR 80.40(a), <i>Monitoring and reporting program performance</i>; OMB Circular A-133, §__.400 (d), <i>Pass-through entity responsibilities</i></p> <p>FDOE Internal Operating Procedures Monitoring of Local Educational Agency (LEA) Program (2007-2008 Technical Assistance Paper) provides in part that upon finalization of a monitoring review, the subgrantee must develop and provide a System Improvement Plan to FDOE acknowledging that findings of partial or noncompliance are correct and agreeing to correct these findings. The System Improvement Plans should serve as a comprehensive plan of action, outlining the key components of the necessary system improvements that will ensure compliance with Federal requirements. Evidence that each System Improvement Plan from the previous year has been implemented must be forwarded to FDOE.</p>
<b>Condition</b>	We examined FDOE records and determined that two monitoring reports disclosed findings for which corrective actions were required to be taken by the subgrantee no later than March 2007, and May 2008, respectively. Further, FDOE was required to perform follow-up no later than June 30, 2008. We inquired of FDOE as to the documentation to support the corrective actions taken by the subgrantee, as well as, the follow-up made by FDOE regarding the audit findings. FDOE management indicated that they did not receive any follow-up documentation from either of the subgrantees.
<b>Cause</b>	FDOE management indicated that the employee responsible for performing follow-up had left FDOE and management had not realized the follow-up was not completed for the 2006-07 reports.
<b>Effect</b>	FDOE had not demonstrated that corrective actions were taken to ensure adherence to Program requirements.
<b>Recommendation</b>	FDOE management should ensure that its procedures are followed.
<b>State Agency Response and Corrective Action Plan</b>	<p>FDOE has developed and implemented a system to track the receipt and approval of System Improvement Plans. Once LEAs submit documentation, FDOE staff approve the action taken, and documentation provided as evidence that the LEA is in compliance with federal requirements. The tracking system has been placed on a shared drive, so that all program staff can track progress.</p> <p>A template was also developed as a second means of assuring that follow-up occurs. In October 2008, LEAs were required to list all System Improvement Plans, the actions taken, and to provide supporting documentation. FDOE reviewed and approved the information provided. The template will be sent to LEAs quarterly, for an update on the progress of activities, and documentation.</p> <p>FDOE is also conducting follow-up monitoring activities in February 2009, for two LEAs found to have significant compliance deficiencies, to review activities and supporting documentation to ensure that these districts come into compliance.</p> <p>For the 2008-09 FDOE monitoring cycle, completion of the System Improvement Plans was built in to the online monitoring system. For the 2009-10 monitoring</p>

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	cycle, LEAs will actually upload the documentation into the system for FDOE review and approval. This improved system is currently in production.
<b>Estimated Corrective Action Date</b>	All processes, with the exception of the 2009-10 online monitoring system that requires LEAs to upload documentation, have been completed. The 2009-10 system will be operational in September 2009. All evidence that 2008-09 System Improvement Plans were implemented are due to be submitted to FDOE with the 2009-10 Self-Evaluation Certifications in September 2009.
<b>Agency Contact and Telephone Number</b>	Martha K. Asbury, Director Administrative Services (850) 245-0420

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-030</b>
<b>CFDA Number</b>	Various (See Condition)
<b>Program Title</b>	<b>Various (See Condition)</b>
<b>Compliance Requirement</b>	Other
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDOH procedures for preparing the Schedule of Expenditures of Federal Awards (SEFA) data form were not sufficient to ensure amounts reported were accurate.
<b>Criteria</b>	<p>OMB A-133 §____.310(b), <i>Schedule of Expenditures of Federal Awards</i> requires that a SEFA be prepared for the same period of time covered by the financial statements.</p> <p>OMB Circular A-133 §____.205(a), <i>Determining federal awards expended</i> provides that Federal Awards are expended when the activity related to the award occurs.</p> <p>To reasonably ensure the accuracy and completeness of the State's SEFA, the Florida Department of Financial Services (FDFS) prepared SEFA Instructions which required State agencies to prepare a SEFA data form and certify its accuracy. FDFS accumulated the information reported on the agencies' SEFA data forms to prepare the State's SEFA.</p>
<b>Condition</b>	<p>FDOH initially reported on its SEFA data form total expenditures of \$1,195,406,351 and subgrants to non-State entities totaling \$271,896,172. Our examination of the amounts reported on the FDOH SEFA data form for the State's major Federal programs disclosed the following misstatements:</p> <ul style="list-style-type: none"> <li>FDOH did not adjust for prior year accrual transactions paid in the current year when determining total expenditures to report. These errors resulted in an \$8,988,972.43 overstatement of total expenditures reported on the SEFA data form for the major Federal programs.</li> <li>FDOH did not exclude contracts with vendors, State universities, and community colleges when identifying subrecipients for which expenditures subgranted to non-State entities should be reported. As a result, FDOH overstated amounts subgranted to non-State entities for the major Federal programs by \$39,829,716.</li> </ul> <p>The misstatements noted above are related to the following major Federal programs:</p> <p>10.558 – Child and Adult Care Food Program  84.181 – Special Education – Grants for Infants and Families  93.069 – Public Health Emergency Preparedness  93.268 – Immunization Grants  93.566 – Refugee and Entrant Assistance – State Administered Programs  93.767 – State Children's Insurance Program  93.889 – National Bioterrorism Hospital Preparedness Program  93.917 – HIV Care Formula Grants  97.067 – Homeland Security Grant Program</p> <p>We noted an additional misstatement in regard to the National Bioterrorism Hospital Preparedness Program (CFDA No. 93.889). FDOH recorded in the State's accounting records and reported on the SEFA data form accounts payable totaling \$17.8 million for the Program, but subsequently paid only \$16.6 million of the payables (\$1.2 million difference). We examined \$8 million of the \$16.6 million in payments and noted that \$2.5 million were for goods and services received after June 30, 2008. In total, FDOH overstated Program expenditures initially</p>

	reported by \$3.7 million.
	In response to our inquiries, FDOH prepared and submitted to FDFS a revised SEFA data form, which reduced SEFA expenditures reported by a total of \$13,893,193 for all programs and expenditures subgranted to non-State entities by a total of \$39,829,719.
<b>Cause</b>	<p>In determining amounts to report on the SEFA data form, FDOH personnel used financial and contract-related reports that were not complete and accurate.</p> <p>FDOH did not follow established procedures and recorded accrual transactions for the National Bioterrorism Hospital Preparedness Program (CFDA No. 93.889) based on contract balances as of June 30, 2008, instead of using a methodology that identified or reasonably estimated fiscal year-end accruals.</p>
<b>Effect</b>	Inaccurately reporting expenditures on the SEFA could affect decisions made by grantors, oversight officials, and others.
<b>Recommendation</b>	<p>We recommend FDOH ensure its procedures for determining amounts to report on the SEFA data form include use of complete and accurate financial and contract information.</p> <p>Additionally, FDOH should ensure that the methodology used to determine accounts payable accrual amounts at fiscal year-end provides a reasonable estimate of actual amounts due for goods and services received prior to July 1.</p>
<b>State Agency Response and Corrective Action Plan</b>	<p>Concur. FDOH is making every effort to enhance and improve the automation process used to generate data for the SEFA report.</p> <ol style="list-style-type: none"> <li>1. Review procedures to determine amount reported on SEFA is accurate and complete.</li> <li>2. Re-evaluate the automation process and its methodology to prevent future reoccurrence.</li> </ol>
<b>Estimated Corrective Action Date</b>	June 30, 2009
<b>Agency Contact and Telephone Number</b>	Gary Mahoney (850) 245-4149

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-031</b>
<b>CFDA Number</b>	Various
<b>Program Title</b>	<b>Various</b>
<b>Compliance Requirement</b>	Other
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FS 07-010
<b>Finding</b>	FDCA's procedures for reconciling the Schedule of Expenditures of Federal Awards (SEFA) data form to financial statement records were not adequate to ensure that differences were appropriately identified and resolved.
<b>Criteria</b>	<p>OMB Circular A-133 §____.310(b), <i>Schedule of Expenditures of Federal Awards</i>, requires that a SEFA be prepared for the same period of time covered by the financial statements. To reasonably ensure the accuracy and completeness of the SEFA, agencies preparing a SEFA data form should reconcile the SEFA information to their financial statements or the State accounting system (FLAIR) underlying the financial statements.</p> <p>Florida Department of Financial Services (FDFS) Schedule of Federal Awards Agency Instructions require reconciliations to be performed between the amounts reported on the SEFA data form and related amounts reported for financial statement purposes and made available on request. In order to assist agencies with the reconciliation, FDFS provided a reconciling template.</p>
<b>Condition</b>	<p>FDCA reported \$819,966,515.62 of Federal expenditures on the SEFA data form submitted to FDFS. Our examination of FDCA's reconciliation of the SEFA data form to the financial statements disclosed that the reconciliation was not accurate and documentation was not available to support certain items included in the reconciliation. Specifically,</p> <ul style="list-style-type: none"> <li>• The amount used in the reconciliation as the SEFA expenditures, \$819,468,173.02, did not agree with the amount reported on the SEFA data form. The difference totaled \$498,342.60.</li> <li>• FDCA's reconciliation identified net reconciling differences of \$144,660,308.06. While the reconciliation identified individual differences included in the net differences, FDCA did not document its consideration of the impact of the differences on the amounts presented on the SEFA.</li> <li>• FDCA did not maintain documentation linking the amounts shown by the reconciliation as having been taken from the financial statement records to the FDCA's financial statement records. Subsequent to our audit inquiry, FDCA management provided us with copies of financial statement records; however, the linkage between the reconciliation and the amounts shown by the financial statement records remained unclear.</li> </ul> <p>FDCA's SEFA data form included activity pertaining to the following major Federal programs:</p> <p>14.228 – Community Development Block Grants/State's Program  93.568 – Low-Income Home Energy Assistance Program  97.004 and 97.067 – Homeland Security Cluster  97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)  97.039 – Hazard Mitigation Grant</p>
<b>Cause</b>	FDCA used the reconciliation template provided by FDFS without modifying it for the specific needs of FDCA.

<b>Effect</b>	Federal Grantor Agencies and others that utilize SEFA data lack assurance that the data is accurate and complete.
<b>Recommendation</b>	We recommend that FDCA modify template documents to accommodate the operations of FDCA. Additionally, FDCA should ensure that the amount shown by the reconciliation for the SEFA expenditures agrees with the amount reported on the SEFA data form. Further, FDCA should provide explanations for reconciling differences to clearly demonstrate whether the SEFA expenditures are complete and accurate. We also recommend FDCA maintain supporting documentation linking the financial statement amounts shown by the reconciliation to FDCA's financial records.
<b>State Agency Response and Corrective Action Plan</b>	In the future, we will provide supporting documentation by CFDA that will link the expenditure amount on the SEFA to the year end FLAIR report and to the amount reported on the reconciliation. Written procedures will be developed and training will be provided to staff for this process.
<b>Estimated Corrective Action Date</b>	Submission of the June 30, 2009, SEFA report
<b>Agency Contact and Telephone Number</b>	Karen Peyton (850) 922-1646

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-032</b>
<b>CFDA Number</b>	Various
<b>Program Title</b>	<b>Various</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Period of Availability of Federal Funds, Procurement and Suspension and Debarment, Reporting, and Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	<p>In audit report No. 2009-018, dated October 2008, we disclosed deficiencies related to FDOH information technology controls. The deficiencies described in finding Nos. 1, 2, and 4 relate to general, application, or security control weaknesses that we consider to be significant deficiencies. Details of the findings, including descriptions of criteria, condition, cause, and effect, as well as FDOH management's corrective action plan, are included in that report.</p> <p>The audit included a review of information technology controls for the shared resources center and various information systems. The information systems included AIDS Drug Assistance Program, Children's Medical Services Vendor Payment System, Children's Medical Services Case Management Data System, Management Information and Payment System, API Imaging System, Asset Manager System, and Florida Accounting Information Resource Subsystem.</p> <p>The systems were used in administering the following FDOH major programs:</p> <ul style="list-style-type: none"> <li>10.558 – Child and Adult Care Food Program</li> <li>84.181 – Special Education – Grants for Infants and Families</li> <li>93.069 – Public Health Emergency Preparedness</li> <li>93.268 – Immunization Grants</li> <li>93.889 – National Bioterrorism Hospital Preparedness Program</li> <li>93.917 – HIV Care Formula Grants</li> </ul>

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-033</b>
<b>CFDA Number</b>	Various (See Condition)
<b>Program Title</b>	<b>Various (See Condition)</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various (See Condition)
<b>Finding Type</b>	Noncompliance Questioned Costs – \$4,758,485
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-044
<b>Finding</b>	FDOH continued to utilize contracts to acquire staff to administer FDOH grant activities, although the statutory authority for doing so had not been clarified.
<b>Criteria</b>	OMB Circular A-87 Attachment A, Subsection C., <i>Basic Guidelines</i> – To be allowable under Federal awards, costs must be authorized and not prohibited under State laws or regulations.  Sections 216.262(1) and 216.2625, Florida Statutes – Except for positions funded by county health department trust funds or the United States Trust Fund, the total number of authorized positions for FDOH is limited to the number of positions provided in the appropriations acts.
<b>Condition</b>	As similarly noted in prior audit reports, FDOH had six contracts for the purpose of acquiring staff to perform grant-related activities in lieu of using agency-authorized positions. Although FDOH did not enter into any additional staffing contracts during the 2007-08 fiscal year, FDOH renewed two of the six contracts in June 2008, for the period July 1, 2008, through June 11, 2011. Generally, under the terms of the contracts, the contract providers recruit personnel who are interviewed, hired, and supervised by FDOH personnel and housed at FDOH offices. Contractual services payments to the contract providers are made monthly or quarterly for payroll costs of staff placed in FDOH offices and for administrative expenses of the contract provider. FDOH payments during the 2007-08 fiscal year relative to staffing contracts totaled approximately \$10.8 million. Approximately \$6.7 million of which was charged to Federal programs including \$4,758,485 to the major Federal programs. Charges to the major Federal programs during the 2007-08 fiscal year were:

CFDA Number	Program Title	Federal Grant Number	Amount
84.173	Special Education - Preschool Grant	378-2678A-8CP01	\$286,563
84.181	Special Education - Grants for Infants and Families	H181A060099 H181A070099	\$392,479
93.069	Public Health Emergency Preparedness	5U90TP417006-08	\$2,583,013
93.268	Immunization Grants	2H23IP422511-06	\$32,293
93.558	Temporary Assistance for Needy Families	G-0702FLTANF G-0802FLTANF	\$46,210
93.767	State Children's Insurance Program	05-0705FL5021 05-0805FL5021	\$45,961
93.889	National Bioterrorism Hospital Preparedness Program	6U3REP070010-01-00 6U3RHS07570-01-02	\$1,105,353
93.917	HIV Care Formula Grant	2X07HA0057-18 6X07HA0057-17	\$226,908
97.067	Homeland Security Cluster	DS-5-5N-13-00-13-328	\$39,705

In prior audits, we have questioned whether governing State laws clearly authorized FDOH to, in substance, employ staff through staffing contracts, and in our most recent prior audit, recommended that FDOH seek a legal opinion from the State Attorney General. Such an opinion had not been requested by FDOH.

Subsequent to the issuance of our prior audit, the USDHHS Inspector General's Office addressed the use of staffing contracts in two audit reports: A-04-07-01046 (*Allowability of Costs Claimed for Reimbursement Under Florida's Bioterrorism and Emergency Preparedness Programs for the Period August 31, 2004 through August 30, 2006*) and A-04-07-01048 (*Allowability of Costs Claimed for Reimbursement Under Florida's Bioterrorism Hospital Preparedness Programs for the Period September 1, 2004 through August 31, 2006*). USDHHS reports stated that, absent some provision of law that permits the State agency to exceed the total number of authorized positions that are provided in the State's appropriation acts, approximately \$3.6 million and \$1.2 million, expended for the costs of acquiring staff for the Emergency Preparedness and Hospital Preparedness Programs, respectively, may be unallowable. USDHHS requested that FDOH determine, as a matter of law, whether the initiation of staffing contracts bypassed the position limitations imposed by the Florida Legislature.

In response to the USDHHS Inspector General audit reports, FDOH management indicated that FDOH is pursuing this issue with the Florida Department of Management Services (FDMS) and corrective action is pending interpretation of law by FDMS.

#### Cause

FDOH management continues to assert that Chapter 287, Florida Statutes provides the legal authority to purchase contractual services and is seeking an opinion from FDMS.

#### Effect

The absence of State laws and Federal regulations clearly authorizing these contracts may result in the disallowance of costs by the Federal grantor agency. Also, the State record characterization of these expenditures as contractual services does not accurately present their substance.

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<b>Recommendation</b>	We recommend that FDOH obtain the legal interpretation from the Florida Department of Management Services, and provide it to the USDHHS Inspector General's office for consideration. We will review subsequent Program Determination Letters in regard to the resolution of this and prior audit findings.
<b>State Agency Response and Corrective Action Plan</b>	<p>Concur. Legal interpretation was received from the Department of Management Services. A copy was provided to the Auditor General's office.</p> <p>Coordinate with US Department of Health and Human Services and other Federal agencies to secure a final resolution to satisfactorily close the prior year findings.</p>
<b>Estimated Corrective Action Date</b>	April 30, 2009
<b>Agency Contact and Telephone Number</b>	Gary Mahoney (850) 245-4149

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-034</b>
<b>CFDA Number</b>	Various
<b>Program Title</b>	<b>Various</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles and Reporting
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Other
<b>Finding</b>	<p>FDOH used the Other Cost Accumulator (OCA) field as an essential control for identifying and recording revenue and expenditures in the State's accounting system relative to specific activities. To account for Federal grants, the FDOH maintains the Other Cost Accumulator Management System (OCAMAN) that provides a description of the activities and the funding source for each OCA.</p> <p>In audit report No. 2006-152, finding No. FA 05-040, we noted that FDOH procedures for identifying accounting codes associated with Federal Programs should be improved. We recommended that FDOH review the data recorded in OCAMAN to ensure its accuracy and ensure that it is properly maintained. Additionally, in audit report No. 2007-110, dated February 2007, we indicated that FDOH had not corrected inaccurate and incomplete information in OCAMAN.</p> <p>FDOH reported on the Summary Schedule of Prior Audit Findings that the prior audit finding was partially corrected.</p> <p>During the 2007-08 fiscal year, FDOH used OCAMAN to administer various Federal Programs including the following major programs:</p> <ul style="list-style-type: none"> <li>10.558 – Child and Adult Care Food Program</li> <li>84.181 – Special Education – Grants for Infants and Families</li> <li>93.069 – Public Health Emergency Preparedness</li> <li>93.268 – Immunization Grants</li> <li>93.889 – National Bioterrorism Hospital Preparedness Program</li> <li>93.917 – HIV Care Formula Grants</li> </ul>
<b>Recommendation</b>	FDOH management indicated that they are in the process of redesigning the OCAMAN system. We recommend that FDOH establish and implement monitoring procedures to ensure that OCAMAN is accurately maintained.
<b>State Agency Response and Corrective Action Plan</b>	<p>Concur. The Bureau of Revenue Management committed additional staff to assist with the upkeep of OCAMAN. The system was redesigned to include more query capabilities and improve the navigation experience and data output. The bureau is working with the Division of Information Technology to provide a new link for department wide access. The Master Grant Listing document was reassigned to a person to maintain and to ensure better accuracy and timeliness of the file upload to the department's Intranet site.</p> <p>Complete - OCAMAN redesign was tested and operational 6/30/2008.</p>
<b>Estimated Corrective Action Date</b>	June 30, 2008
<b>Agency Contact and Telephone Number</b>	Gary Mahoney (850) 245-4149

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-035</b>
<b>CFDA Number</b>	Various (See Finding)
<b>Program Title</b>	<b>Various (See Finding)</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles, Eligibility, Reporting, Special Tests and Provisions
<b>State Agency</b>	<b>Florida Department of Children and Family Services (FDCFS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	N/A
<b>Finding Type</b>	Significant Deficiency

**Finding**

The Florida On-line Recipient Integrated Data Access (FLORIDA) System is a Statewide system operated and maintained by FDCFS to assist in public assistance program eligibility determination and benefit issuance. In the Information Technology (IT) audit report No. 2008-197, dated June 2008, we disclosed in findings Nos. 3 through 5 deficiencies related to the public assistance component of the FLORIDA System regarding exception reporting, application controls, and system security that we consider to be significant deficiencies. Details of the findings and recommendations, as well as, FDCFS management's response are included in that report.

The FLORIDA System is used in administering aspects of the following programs:

- 10.551 and 10.561 – Food Stamp Cluster
- 93.558 – Temporary Assistance for Needy Families
- 93.563 – Child Support Enforcement
- 93.566 – Refugee and Entrant Assistance – State Administered Programs
- 93.778 – Medical Assistance Program

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-036</b>
<b>CFDA Number</b>	93.268
<b>Program Title</b>	<b>Immunization Grants</b>
<b>Compliance Requirement</b>	Eligibility
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract</b>	5H23IP422511-05 (January 1, 2007 – December 31, 2007)
<b>Number and Grant Year</b>	2H23IP422511-06 (January 1, 2008 – December 31, 2008)
<b>Finding Type</b>	Significant Deficiency

**Finding** Certain access security controls were not in place to prevent and timely detect any unauthorized changes to the database and data files of the Florida State Health Online Tracking System (SHOTS).

**Criteria** 42USC 300aa.25, *Recording and reporting of information*

Florida Department of Management Services Rule 60DD-2.004, Logical and Data Access Controls, Florida Administrative Code, provides that each user of a multiple-user information resource shall be assigned a unique personal identifier or user identification that shall be authenticated before access is granted.

FDOH Policy DOHP 50-10-07-Information Security and Privacy Policy, Security Policy 4, *Acceptable Use and Confidentiality Agreement*. This policy stipulates the following: Workers will be given a user account to access FDOH information technology resources; users shall have unique user accounts; and workers must not share their agency account passwords.

Information Technology (IT) Industry Standards:

IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:

DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.

**Condition** SHOTS is a Statewide, centralized online immunization registry used by FDOH, health care providers, schools, clinics, and county health departments to access immunization records and track progress in completion of the series of childhood immunization vaccinations. FDOH also uses SHOTS data when monitoring county health departments to verify vaccine inventory. Our review of the status of SHOTS access control deficiencies noted in audit report No. 2008-015, dated September 2007, disclosed control deficiencies that continued to exist, at June 30, 2008:

- Two employees within FDOH's Office of Planning, Evaluation and Data Analysis shared a user ID and password account that was used to assign, delete, or modify staff access to software used for extracting data from and updating the database. Additionally, two employees within FDOH's Division of Information Technology shared a user ID and password account that allowed access to system utility programs and updating of production data.
- Five contracted program developers had user IDs and passwords for three different accounts that allowed access to 1) data extraction software, 2) utility software, and 3) updating of production data. Individuals having access to all three of these accounts creates a lack of separation of duties in that application programmers should not have access to production data and programs.
- Additional deficiencies were noted in FDOH security controls in the areas of user authentication and monitoring of system activity. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDOH security. Appropriate FDOH personnel have been notified of the issues.

**Cause**

FDOH did not follow its policies and procedures regarding the sharing of log-on accounts. FDOH staff indicated that the sharing of user IDs and passwords would be remediated in the next software release scheduled for October 2008.

Developers are granted temporary access to perform investigations pertaining to production system issues. FDOH did not have a policy to ensure the roles of the developers and system administrators were clearly delineated. In correspondence dated March 20, 2008, in regard to audit report No. 08-015, FDOH indicated that procedures had been implemented to clarify the roles of the developers and system administrators. However, our follow-up indicated that the procedures had not been implemented as of June 30, 2008.

The security issues noted in the third bullet were primarily the result of FDOH using an older version of database software. FDOH management indicated that they are planning to upgrade the software to a newer version that includes updated security features.

**Effect**

The absence of strong user identification and password controls whereby each user is assigned a unique user ID and password increases the risk that FDOH management will not be able to trace SHOTS activity to the responsible individual. Allowing staff with application programming duties to have update access to the production database increases the risk that unauthorized changes may be made to the production database and not be timely detected. The use of outdated software prevents FDOH management from having the benefits of the updated security and tracking technology and increases the risk of unauthorized access to SHOTS programs and data.

**Recommendation**

We recommend that FDOH management enforce the use of unique user IDs and passwords. We also recommend that FDOH management continue to pursue updating outdated Cache software and implementing appropriate actions to strengthen its security control features. FDOH should periodically review the ongoing appropriateness of access capabilities for SHOTS programs and data to ensure that there is appropriate separation of duties regarding access to production data and programs.

**State Agency Response and  
Corrective Action Plan**

The findings of this audit with regard to shared accounts have been resolved. Separate user accounts exist for all developers and maintenance and operations staff as well as IT staff, and there are no shared accounts or passwords. The findings for this audit with regard to the Cache upgrade are the same as prior year findings in which the bureau responded that the security limitations of the current Cache product used by Florida SHOTS would be remedied with migration to the 2008.x version. Due to the high demand for system enhancements placed on Florida SHOTS resources and the complexities of migrating to the Cache upgrade, there have been delays in implementing the upgrade. A complete analysis is currently in progress to determine the work effort for the Cache upgrade.

The upgrade is now scheduled tentatively for late August 2009 but completion may be sooner once the work effort is determined. Since the newer release of Cache replaces a much older version, the analysis and work effort for the migration is extensive. In the interim, the bureau follows a policy for clearly defined roles and responsibilities between developers and other staff. No developers have access to production data or production systems. Any system or application issues that need to be diagnosed and require the technical skills of developers are first managed through the test environment, which is extensive and robust but does not match production completely due to resource shortages. On rare occasions where issues cannot be diagnosed in the test environment, highly controlled access to production may be granted to a developer on a temporary basis as approved by the business office to ensure rapid diagnosis of problems that may develop.

Once the upgraded version of Cache is complete and better tools for system management and access are available (included with upgrade), access to the

various areas of Florida SHOTS will be further identified by roles with pertinent permissions assigned.

Implement Cache upgrade to 2008.x by date indicated. Ensure access policy is communicated to and followed by project staff.

**Estimated Corrective  
Action Date**

August 2009

**Agency Contact and  
Telephone Number**

Susan Lincicome  
(850) 245-4444, Ext. 2381

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-037</b>
<b>CFDA Number</b>	93.558
<b>Program Title</b>	<b>Temporary Assistance for Needy Families (TANF)</b>
<b>Compliance Requirement</b>	Eligibility
<b>State Agency</b>	<b>Florida Department of Children and Family Services (FDCFS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	G-0702FLTANF 2007
<b>Finding Type</b>	Noncompliance Questioned Costs – \$761
<b>Finding</b>	FDCFS made TANF benefit payments without appropriately documenting eligibility and did not always pay the correct benefit amount.
<b>Criteria</b>	TANF State Plan, <i>Eligibility for TANF Funded Assistance and Non-Assistance</i> ; TANF Policy Manual 2020.0400 Relative Caregiver Program (TCA); 45 CFR 206.10(a)(1)(ii) <i>Application, Determination of Eligibility and Furnishing of Assistance</i>
<b>Condition</b>	<p>During the 2007-08 fiscal year, FDCFS made TANF cash assistance benefit payments totaling \$153,762,429. Our test of eligibility for 40 clients (cases), for which TANF benefits of \$10,152 were selected for testing, disclosed the following:</p> <ul style="list-style-type: none"> <li>• Benefits totaling \$761 were paid during the 2007-08 fiscal year for one case for which an application was not on file. The case was opened in 2005.</li> <li>• A relative caregiver was paid \$242 per month for a child over 5 years old. However, for children ages 6 to 12 years of age, the relative caregiver should have received \$249 per month on the child's behalf. The monthly payment should have increased to \$249 a month on October 26, 2007, but was not increased until March 2, 2008, resulting in an under payment of \$35.</li> </ul>
<b>Cause</b>	Employee error or insufficient oversight may have led to these errors.
<b>Effect</b>	TANF assistance payments may have been made to clients whose eligibility was not appropriately documented. Additionally, certain payments were in an incorrect amount.
<b>Recommendation</b>	We recommend that FDCFS ensure that client eligibility documentation is properly maintained. We also recommend that FDCFS enhance oversight to ensure that benefit payments are properly determined.
<b>State Agency Response and Corrective Action Plan</b>	<ol style="list-style-type: none"> <li>1. In the one instance that an application was not on file, the eligibility re-determination was completed through an Interim Contact form which was not located. The local service center was asked to reconstruct the case.</li> <li>2. In the one instance that resulted in an underpayment, the Circuit responsible for the error was requested to restore benefits to the recipient. Training emphasizing the importance of addressing expected changes in Relative Caregiver cases was requested for the local service center where the error occurred.</li> </ol>
<b>Estimated Corrective Action Date</b>	<ol style="list-style-type: none"> <li>1. March 31, 2009</li> <li>2. March 31, 2009</li> </ol>
<b>Agency Contact and Telephone Number</b>	Cindy Mickler (850) 488-5342

FA 08-038 FINDING NOT USED.

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-039</b>
<b>CFDA Number</b>	93.563
<b>Program Title</b>	<b>Child Support Enforcement (CSE)</b>
<b>Compliance Requirement</b>	Reporting and Special Tests and Provisions – Enforcement of Support Obligations
<b>State Agency</b>	<b>Florida Department of Revenue (FDOR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	0804FL4004 2007-08
<b>Finding Type</b>	Material Weakness and Significant Deficiency

**Finding** During the 2007-08 fiscal year, FDOR procedures, as implemented, did not ensure adequate oversight and monitoring of State Disbursement Unit (SDU) collection and disbursement of child support payments and the reporting thereof.

**Criteria** Title 42, Section 654b., United States Code, requires states to establish an SDU for the collection and disbursement of child support payments. The SDU must be operated by the state IV-D agency or a contractor directly responsible to the agency.

Section 61.1826, Florida Statutes, directed FDOR to contract with the Florida Association of Court Clerks, Inc., (FACC) to provide for the operation and maintenance of SDU services. FACC awarded a subcontract to Lockheed Martin IMS, Inc., (Lockheed Martin) on March 11, 1998, to develop, operate, and maintain the Florida SDU. On November 1, 2001, Lockheed Martin sold its Information Management Services Division to Affiliated Computer Services State and Local Solutions (ACS). Effective August 31, 2005, the contract was assigned by FACC to FDOR.

Included in the contract effective August 31, 2005, between the FDOR and ACS for the operation and maintenance of the SDU, was a requirement for an annual audit of ACS to be performed by a certified public accounting (CPA) firm and provided to FDOR, with ACS responses. The contract also required ACS to provide its own internal audit and quality assurance function to ensure the integrity of the collection and disbursement functions and provide FDOR with reports of the audits performed along with the results of the audits within 15 business days after completion of the audit.

**Condition** For the 2007-08 fiscal year, FDOR reported child support collections totaling approximately \$1.6 billion on the Quarterly Reports of Collections (OSCE-34), the majority of which was collected at the SDU. The SDU receives child support payments and transmits the collection information to the CSE Component of the FLORIDA System. The CSE Component of the FLORIDA System determines the distribution allocations for the collections and transmits the information to the SDU. The SDU then disburses the collections. FDOR utilized information from the FLORIDA System, which in part was provided by the SDU, to prepare the Quarterly Reports of Collections.

We noted that during the 2007-08 fiscal year, FDOR management did not enforce contractual provisions requiring the SDU contractor to provide an annual audit and reports of internal quality assurance efforts. FDOR staff indicated that certain FDOR internal monitoring and review procedures, as described below, provided oversight and monitoring of the SDU function, some of which were applied intermittently during the 2007-08 fiscal year:

- FDOR staff indicated that two staff from the FDOR Remittance and Distribution Process Unit were on-site at the SDU to assist SDU staff with operational issues, monitor the SDU call center, assist with customer service, and provide e-disbursement function assistance.
- In January 2008, Remittance and Distribution Process Unit staff implemented a monthly oversight and monitoring function. FDOR management indicated that

due to staffing changes and vacancies, the monthly oversight and monitoring activities were placed on hold after four monthly reviews were completed, but resumed in November 2008.

- FDOR Contract Management Sub-Process Unit staff conducted a formal review at the SDU on July 2-3, 2007. This internal review was based in part on the U.S. Department of Health and Human Services, Office of Child Support Enforcement, Office of Audit's *Guide for Auditing State Disbursement Units*. FDOR management indicated that while evaluating the strengths and weaknesses of the first formal review, the quality assurance coordinator left the monitoring team and these monitoring activities were suspended.

While intermittent monitoring and reviews may have provided limited assurance, they cannot substitute for a comprehensive, ongoing effort to monitor SDU operations.

**Cause**

According to FDOR staff, after the assignment of the contract to FDOR in 2005, FDOR requested the quality assurance reviews but the contractor declined to provide them, citing the proprietary nature of the reports.

**Effect**

Absent consistent monitoring of SDU operations, FDOR had limited ability to make a determination of the extent of the contractor's compliance with governing contract provisions and of the related reporting requirements.

**Recommendation**

To ensure the integrity of the collection and disbursement functions at the SDU, we recommend that FDOR enhance its monitoring and oversight efforts. Specifically, we recommend that FDOR consider requiring that the SDU contractor provide an annual audit of SDU operations made in accordance with U.S. Auditing Standards applicable to audits of service organizations. Such an audit, commonly referred to as a SAS 70 audit, would provide FDOR with information as to the effectiveness of internal controls over collections and disbursements as implemented by the SDU contractor.

**State Agency Response and  
Corrective Action Plan**

The Florida Department of Revenue agrees it would be beneficial to have an annual audit of State Disbursement Unit operations to obtain information on the effectiveness of internal controls implemented by the State Disbursement Unit contractor.

The State Disbursement Unit contract was amended effective October 1, 2008, and extended until August 31, 2014, in accordance with Chapter 2008-153, §24, Laws of Florida. The amended contract does not require the contractor to perform an annual audit. However, the contractor is required to provide full access to State Disbursement Unit records and facilities to State and Federal officials for audit purposes.

The Department will ask the contractor to quote a price for an annual audit of State Disbursement Unit operations. Once the quote is provided, the Department will determine if a Legislative Budget Request is required to obtain funding. In addition, the Department will contact the State's Chief Financial Officer and the Auditor General to determine whether either office is able to provide the required auditing services.

As mentioned in the Condition Section above, the Department resumed its oversight and monitoring activities in November 2008.

**Estimated Corrective  
Action Date**

**Agency Contact and  
Telephone Number**

Mel Hedick, Process Manager  
(850) 413-0605

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-040</b>
<b>CFDA Number</b>	93.563
<b>Program Title</b>	<b>Child Support Enforcement (CSE)</b>
<b>Compliance Requirement</b>	Reporting and Special Tests and Provisions – Enforcement of Support Obligations
<b>State Agency</b>	<b>Florida Department of Revenue (FDOR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	0704FL4004 2006-07 and 0804FL4004 2007-08
<b>Finding Type</b>	Other
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-048

**Finding** Matters disclosed in the prior audit regarding FDOR procedures for reconciling SDU-maintained information to information maintained in the FLORIDA System continued to exist during the 2007-08 fiscal year.

The collection and disbursement process requires multiple automated systems to work together. Those systems include various systems within the State Disbursement Unit (SDU), such as the State Disbursement Unit Repository System (SDUR) and the Automated Centralized Collection Receipt Deposit System (ACCoRD), and the CSE Component of the FLORIDA System. The SDU receives child support payments and transmits the collection information to the CSE Component of the FLORIDA System. The CSE Component of the FLORIDA System determines the distribution allocations for the collections and transmits the information to the SDU. The SDU then disburses the collections.

Our audit determined that FDOR did not perform a full reconciliation of the data in the CSE Component of the FLORIDA System to the receipts and disbursements data in the SDU systems. Utilizing data from the CSE Component of the FLORIDA System, FDOR reported collections totaling approximately \$1.6 billion on the Quarterly Reports of Collections (OSCE-34A) submitted for the 2007-08 fiscal year.

FDOR management indicated that it is nearing completion of detailed work flows of current operations and will soon start developing “to be” work flows to support full reconciliation of all collection data. These work flows will be used in the design and development of the Child Support Enforcement Automated Management System (CAMS) Phase II, which is projected for implementation in March 2011. The development will include a comprehensive reconciliation component that will enable FDOR to perform timely and complete reconciliation of all data providing adequate detail and documentation to allow for adjustments to Federal reports and accounting records.

**Recommendation** We recommend that FDOR include the development of a comprehensive reconciliation component in its design and development of CAMS Phase II.

**State Agency Response and Corrective Action Plan** The Florida Department of Revenue concurs with the recommendation and is currently finalizing system requirements for the CAMS Phase II system. Reconciliation is a key component of the system requirements.

**Estimated Corrective Action Date** June 2011

**Agency Contact and Telephone Number** Mel Hedick, Process Manager  
(850) 413-0605

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-041</b>
<b>CFDA Number</b>	93.563
<b>Program Title</b>	<b>Child Support Enforcement (CSE)</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Revenue (FDOR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	0804FL4004 2007-08
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Finding</b>	FDOR did not have procedures in place to ensure compliance with all Federal requirements relating to subrecipient monitoring.
<b>Criteria</b>	OMB Circular A-133 §____.320 (a); §____.400 (d)(1), (d)(4), <i>Report Submission</i> and <i>Pass-through entity responsibilities</i> , respectively
<b>Condition</b>	<p>During the 2007-08 fiscal year, FDOR entered into agreements with 69 subrecipients and one State Attorney to perform various services for the CSE Program.</p> <p>Contrary to Federal requirements, FDOR did not identify the Federal awarding agency or include the CFDA number and title in the uniform cooperative agreements FDOR used for subgrants with the 67 county court clerks for local depository services. Additionally, we noted that the standard contract FDOR used for subgrants for full CSE services and for a healthy marriage grant did not identify the Federal awarding agency or include the CFDA title.</p> <p>Our audit also disclosed that during the 2007-08 fiscal year, FDOR did not have procedures in place to ensure that required single audits were performed and submitted to FDOR within the required nine months after the end of the subrecipient's fiscal year. Our audit disclosed that for five of the ten subrecipient agreements tested, the subrecipient had not submitted its single audit to FDOR in a timely manner. Those single audits were submitted from 1 to 119 days after the due date. Our audit also disclosed that for those five, FDOR did not make inquiries about the possibility of potential or actual audit findings relating to CSE or have procedures in place for imposing sanctions should the subrecipient be unable or unwilling to have the required audit performed or submit the report in a timely manner.</p>
<b>Cause</b>	FDOR had not developed and implemented formal policies and procedures for communicating identifying Federal award information and audit requirements to subrecipients. Additionally, while FDOR had developed a Review Checklist used by the Contract Manager in reviewing the single audits of each of the Clerks of the Court, FDOR had not developed and implemented formal policies and procedures to instruct staff on the requirements and processing of subrecipient audits, including appropriate follow-up on late audit reports.
<b>Effect</b>	Failure to provide required Federal award information may result in subrecipients not correctly identifying Federal funds for financial reporting and accountability purposes. Also, absent timely receipt and review of audit reports, FDOR had limited ability to detect subrecipient noncompliance with laws, regulations, and provisions of contracts and ensure that prompt, appropriate corrective actions were taken.
<b>Recommendation</b>	We recommend that FDOR revise the standard award and contract documents to identify the Federal awarding agency and include the CFDA number and title, as appropriate. We also recommend that FDOR develop and implement comprehensive, formal policies and procedures with regard to obtaining, reviewing, and following up on subrecipient audits.

<b>State Agency Response and Corrective Action Plan</b>	<p>The Florida Department of Revenue concurs with the finding and recommendation. The Department will include the Federal awarding agency and CFDA number/title in an attachment to the subrecipient contracts.</p> <p>Further, the Department concurs with the recommendation requiring the Department to develop and implement comprehensive policies and procedures for obtaining, reviewing, and following up on subrecipient audits, formalizing our current protocols.</p> <p>Corrective Actions include:</p> <ol style="list-style-type: none"><li>1. Develop an attachment to the FDOR standard contract that identifies the Federal awarding agency and CFDA number/title.</li><li>2. Develop policies and procedures for obtaining, reviewing, and following up on subrecipient CSE-related audit findings.</li></ol>
<b>Estimated Corrective Action Date</b>	June 30, 2009
<b>Agency Contact and Telephone Number</b>	Mel Hedick, Process Manager (850) 413-0605

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-042</b>
<b>CFDA Number</b>	93.563
<b>Program Title</b>	<b>Child Support Enforcement (CSE)</b>
<b>Compliance Requirement</b>	Special Tests and Provisions – Securing and Enforcing Medical Support Obligations
<b>State Agency</b>	<b>Florida Department of Revenue (FDOR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	0704FL4004 2006-07 and 0804FL4004 2007-08
<b>Finding Type</b>	Noncompliance, Material Weakness, and Significant Deficiency
<b>Finding</b>	Our tests disclosed that where medical support had been ordered, FDOR did not always request the necessary information from the responsible parents to determine whether health insurance was reasonably available or take enforcement action to secure medical support.
<b>Criteria</b>	<p>42 USC 654(15)(A), <i>State plan for child and spousal support</i>, requires a process for an annual review of and report to the Secretary of the Department of Health and Human Services on the State CSE program operated under the State approved plan, including such information as may be necessary to measure compliance with Federal requirements.</p> <p>45 CFR 303.31, <i>Securing and enforcing medical support obligations</i>, requires that in cases where medical support is ordered, the State is to verify that it was obtained or take steps to enforce the health insurance coverage unless it is determined that health insurance is not available at a reasonable cost.</p> <p>45 CFR 308.2(e), <i>Annual State Self-Assessment Review and Report – Required program compliance criteria</i>, requires States to have and use procedures for securing and enforcing medical support orders in at least 75 percent of the cases reviewed.</p>
<b>Condition</b>	<p>Our test disclosed that for 2 of the 11 CSE cases tested where medical support had been ordered, FDOR did not send a notice to the responsible parents of their obligation to provide medical support and request the necessary health insurance information to determine whether health insurance was reasonably available or take enforcement action to secure medical support.</p> <p>FDOR reported in its Annual Self Assessment Report (SAR) dated March 2008 that for the period July 1, 2006, through June 30, 2007, the State achieved a 69.9 percent efficiency rate for securing and enforcing medical support orders, with 84 percent of the out-of-compliance cases having resulted from FDOR's failure to determine if health insurance was reasonably available. The corrective action plan, included in the SAR, stated that a decision was made by FDOR in June 2007 to begin limited implementation of medical support enforcement in the CSE Automated Management System (CAMS) Phase I. Specifically, the limited implementation included noticing the noncustodial parent of the obligation to provide medical support. For the period June 2007 through February 2008, FDOR noticed approximately 5,000 noncustodial parents each week. However, the noticing stopped in March 2008, due to a higher priority being assigned to the software upgrade in CAMS Phase I. The regular noticing of noncustodial parents did not occur during the remainder of the 2007-08 fiscal year.</p>
<b>Cause</b>	In addition to the shift in priorities to the software upgrade in CAMS Phase I, FDOR management also indicated that the functionality included in CAMS Phase I for enforcing medical support compliance needed enhancement.
<b>Effect</b>	Absent adequate procedures to obtain health insurance information, FDOR has limited ability to verify that medical support obligations have been met, where required.

<b>Recommendation</b>	Pending the enhancement of medical support compliance functionality in CAMS, we recommend that FDOR implement procedures to obtain the necessary information from the responsible parents and take enforcement action to secure medical support.
<b>State Agency Response and Corrective Action Plan</b>	<p>The Florida Department of Revenue agrees with the finding associated with Securing and Enforcing Medical Support Obligations.</p> <p>The Child Support Enforcement Program is undertaking the following corrective actions to implement the recommendation:</p> <ol style="list-style-type: none"><li>1. Review existing procedures and training documents to identify appropriate sections for update to ensure a clear message to staff regarding the correct entry of data identifying the responsible party in both the FLORIDA and the CAMS systems.</li><li>2. Finalize and implement procedures and job aids providing staff with the information needed to efficiently identify cases eligible for creation of the CS-EF17 Request for Health Care Coverage Information or the CS-EF18/19 National Medical Support Notice.</li><li>3. Continue with efforts already in progress to enhance CAMS Phase I system functionality, thus allowing the Program to automatically identify and enforce cases determined noncompliant with the order to provide health insurance.</li></ol>
<b>Estimated Corrective Action Date</b>	October 1, 2009
<b>Agency Contact and Telephone Number</b>	Mel Hedick, Process Manager (850) 413-0605

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-043</b>
<b>CFDA Number</b>	93.563
<b>Program Title</b>	<b>Child Support Enforcement (CSE)</b>
<b>Compliance Requirement</b>	Special Tests and Provisions – Provision of Child Support Services for Interstate Cases
<b>State Agency</b>	<b>Florida Department of Revenue (FDOR)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	0704FL4004 2006-07 and 0804FL4004 2007-08
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Finding</b>	FDOR did not timely refer initiating interstate cases to the responding states' interstate central registries for action within the required time frame.
<b>Criteria</b>	45 CFR 303.7(b), <i>Provision of services in interstate IV-D cases – Initiating State IV-D agency responsibilities</i> ; and 45 CFR 308.2(g)(1)(i), <i>Required program compliance criteria – Interstate services</i> , provide that except when using the State's long-arm statute for establishing paternity, if referral is appropriate, the IV-D agency must within 20 calendar days of determining that the noncustodial parent is in another state, and if appropriate, receipt of any necessary information needed to process the case, refer any interstate IV-D case to responding states' interstate central registries for action.
<b>Condition</b>	Our test of interstate cases disclosed that for 6 of 21 initiating interstate cases reviewed, FDOR did not timely refer the cases to the responding states' interstate central registries for action within the required time frame of 20 calendar days of determining that the noncustodial parent was in another State and, if appropriate, receipt of any necessary information needed to process the case. The number of days in excess of the required 20 calendar days for referral ranged from 3 to 126 days.
<b>Cause</b>	FDOR's utilized a process management approach for initiating interstate cases. The process management approach did not provide a tracking mechanism to alert staff of impending deadlines for referral of initiating interstate cases to responding states' interstate central registries for action.
<b>Effect</b>	FDOR's untimely referral of initiating interstate cases to responding states may delay the processing of child support enforcement orders by the responding state and may further delay the initiation of enforcement actions.
<b>Recommendation</b>	We recommend that FDOR strengthen its procedures for initiating interstate cases to ensure initiating interstate cases are processed and referred within the required time frame to the responding states' interstate central registries for action.
<b>State Agency Response and Corrective Action Plan</b>	<p>The Florida Department of Revenue agrees with the finding. The following corrective action will be taken to improve the timely initiation of initiating interstate actions:</p> <ol style="list-style-type: none"> <li>1. Review existing interstate procedures to ensure instructions regarding required federal timeframes are clear, including identifying the definition of when the 20 calendar day timeframe required under 45 CFR 303.7(b)(2) begins.</li> <li>2. Review existing interstate training documents to ensure instructions regarding required federal timeframes are clear, including identifying the definition of when the 20 calendar day timeframe required under 45 CFR 303.7(b)(2) begins.</li> <li>3. Direct communication to region supervisors and region staff responsible for processing interstate initiating transmittals regarding the importance of meeting the federal timeframes. This communication will occur via regularly scheduled teleconferences with region staff on a variety of program issues.</li> </ol>

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	<p>4. Direction to region supervisors of staff who process interstate initiating transmittals to review their internal case processing, related to specific process step assignments to staff, to identify ways to improve compliance with the federal timeframes.</p> <p>5. Review proposed interstate initiating process design for Phase II of CAMS to ensure the federal timeframes are accommodated. Completed.</p>
<b>Estimated Corrective Action Date</b>	Actions to implement the corrective action plan will commence during March 2009 and should be completed by July 2009.
<b>Agency Contact and Telephone Number</b>	Mel Hedick, Process Manager (850) 413-0605

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-044</b>
<b>CFDA Number</b>	93.566
<b>Program Title</b>	<b>Refugee and Entrant Assistance – State Administered Programs (REAP)</b>
<b>Compliance Requirement</b>	Eligibility
<b>State Agency</b>	<b>Florida Department of Children and Family Services (FDCFS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	G-08AAFL4100 2007-08
<b>Finding Type</b>	Noncompliance Questioned Costs – \$190
<b>Finding</b>	FDCFS provided REAP benefits to one individual for whom FDCFS could not provide documentation supporting eligibility.
<b>Criteria</b>	45 CFR 400.43, <i>Requirements for documentation of refugee status</i> ; 45 CFR 400.75, <i>Registration for employment services, participation in employability service programs and targeted assistance programs, going to job interviews, and acceptance of appropriate offers of employment</i> ; FDCFS REAP State Plan
<b>Condition</b>	<p>During the 2007-08 fiscal year, FDCFS made Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) payments totaling \$31,367,479.39. We reviewed RCA and RMA payments, totaling \$12,855.67, made to 60 clients during the 2007-08 fiscal year to determine whether the clients met the categorical and financial requirements of the Program. Our review disclosed one instance in which case records did not document that the client met the work registration requirements. RCA benefits totaling \$190 were paid to the client.</p> <p>In addition, our review disclosed that in two instances, dates of entry were entered incorrectly into the case management system used by FDCFS. Although the errors noted did not result in questioned costs for the 2007-08 fiscal year, the possibility exists that, without accurate date of entry information, benefits would not be terminated in accordance with the program requirements. REAP Program benefits are time limited to eight months from the date of entry.</p>
<b>Cause</b>	FDCFS did not always follow policies and procedures established to document eligibility.
<b>Effect</b>	REAP benefits were used to provide assistance to individuals for whom FDCFS could not provide documentation supporting eligibility.
<b>Recommendation</b>	We recommend that FDCFS strengthen its efforts to ensure that appropriate documentation is maintained for individuals receiving benefits and that dates of entry are correctly recorded in the case management system.
<b>State Agency Response and Corrective Action Plan</b>	A Benefit Recovery referral will be made in the one instance where there was no documentation that the work registration requirement was met.
<b>Estimated Corrective Action Date</b>	May 1, 2009
<b>Agency Contact and Telephone Number</b>	Eileen Schilling (850) 414-5643

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-045</b>
<b>CFDA Number</b>	93.566
<b>Program Title</b>	<b>Refugee and Entrant Assistance – State Administered Programs (REAP)</b>
<b>Compliance Requirement</b>	Reporting
<b>State Agency</b>	<b>Florida Department of Children and Family Services (FDCFS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	G06AAFL4100 2005-06, G07AAFL4100 2006-07, G08AAFL4100 2007-08
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	The Refugee Assistance Program Office does not have in place supervisory review procedures to verify the accuracy of data generated by the Refugee Services Database System. Additionally, we noted that the ORR-11 State-of-Origin Report for the quarter ended September 30, 2007, contained inaccuracies and was not always supported by the Refugee Services Database System used to compile the data in the report.
<b>Criteria</b>	45 CFR 400.28(b), <i>Maintenance of records and reports</i> and ORR-11 Instructions for Refugee State-of-Origin Report (OMB Control No. 0970-0043)
<b>Condition</b>	<p>States are required to submit an ORR-11 Report annually. The Refugee Services Database System was used to prepare the ORR-11 State-of-Origin Report. The FDCFS Office of Refugee Services maintains the Refugee Services Database System and makes it available to providers to input demographics and the type of services obtained by clients. We noted that FDCFS did not have in place procedures requiring a supervisory review of the data generated from the system.</p> <p>We tested the records of 20 clients for whom demographics and services were included in the ORR-11 State-of-Origin Report and the following discrepancies were noted:</p> <ul style="list-style-type: none"> <li>• For 2 of 20 client files, the date of birth in the Refugee Services Database System did not agree with data recorded in the Florida On-line Integrated Data Access (FLORIDA) System which is used by FDCFS to maintain client information and to document eligibility.</li> <li>• For 1 of 20 client files, the date of entry in the Refugee Services Database System was not in agreement with data recorded in the FLORIDA System.</li> </ul>
<b>Cause</b>	FDCFS management indicated the above-noted errors were due to incorrect data entry and lack of supervisory review procedures to verify the accuracy of data generated by the Refugee Services Data System.
<b>Effect</b>	Absent the receipt of an accurate report, the U.S. Department of Health and Human Services (USDHHS) may lack the information needed to properly administer the program and provide accurate refugee population data to other parties. Failure to provide accurate data may result in delay, suspension, or termination of grant support.
<b>Recommendation</b>	We recommend that FDCFS enhance procedures for the review of required Federal reports and the underlying data to ensure that reports filed with USDHHS include accurate information.
<b>State Agency Response and Corrective Action Plan</b>	Refugee Services (PDRS) has implemented a process to compare data from the Refugee Services Database System (RSDS) and FLORIDA system to identify and correct discrepancies. PDRS will run a monthly query identifying any records wherein alien numbers, entry dates or birth dates do not match. PDRS will research the records, correct errors immediately in the RSDS and provide information to the FLORIDA system on the discrepancies. ACCESS will correct errors in the FLORIDA system.

**Estimated Corrective  
Action Date**

March 31, 2009

**Agency Contact and  
Telephone Number**Jason Atwood  
(850) 410-3062

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-046</b>
<b>CFDA Number</b>	93.568
<b>Program Title</b>	<b>Low-Income Home Energy Assistance Program (LIHEAP)</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles, Matching, Level of Effort, and Earmarking, Reporting
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Material Weakness and Significant Deficiency
<b>Finding</b>	FDCA management had not established appropriate internal controls regarding user access and systems development and management for the Grants Administration System (GAS).
<b>Criteria</b>	<p>45 CFR 96.30(a), <i>Fiscal control and accounting procedures</i></p> <p>Florida Department of Management Services Rule 60DD-2.004 <i>Logical and Data Access Controls</i>, Florida Administrative Code, stipulates each user of a multiple-user information resource shall be assigned a unique personal identifier that shall be authenticated before access is granted. Additionally, user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.</p> <p>Florida Department of Management Services Rule 60DD-2.005 <i>Data and System Integrity</i>, Florida Administrative Code, stipulates that test functions shall be separate from production functions and that all program changes shall be approved before implementation to determine whether they have been authorized, tested, and documented.</p> <p>Florida Department of Management Services Rule 60DD-2.008 <i>Personnel Security and Security Awareness</i>, Florida Administrative Code, stipulates that agencies shall provide an ongoing awareness and training program in information security.</p> <p>Information Technology (IT) Industry Standards:  IT Governance Institute <i>Control Objectives for Information Technology (COBIT 4.1)</i>:  DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.  A17.6 Testing of Changes – Changes should be tested independently prior to migration to the operational environment.  PO8.2 IT Standards and Quality Practices – Standards, procedures and practices for key IT processes should be identified and maintained.</p> <p>National Institute of Standards and Technology <i>Building an Information Security Technology Awareness and Training Program</i>, Special Publication 800-50.</p>
<b>Condition</b>	<p>FDCA procedures required subgrantees to use GAS to electronically transmit Requests for Reimbursement for review and approval by the LIHEAP Contract Manager prior to the Requests being sent to Finance and Accounting for payment. FDCA staff also used GAS to account for and support LIHEAP subgrantee expenditures entered into the State's accounting system (FLAIR) and to demonstrate compliance with earmarking requirements. During the 2007-08 fiscal year, \$31,808,689 was processed through GAS for payment to 43 subgrantees.</p> <p>FDCA procedures for granting access to GAS were not adequate to ensure that access was properly approved, monitored for appropriateness given the employee's job duties, and timely removed when no longer necessary. We also noted that there were no written policies and procedures for the systems</p>

development and maintenance process, assigning and removing user IDs, or monitoring access privileges to the GAS application. Specifically, we noted the following:

- Access to GAS was not timely removed for two employees of the contractor that maintained GAS. Subsequent to our audit inquiry, FDCA personnel terminated access for these two employees who no longer worked with GAS.
- We noted one employee granted GAS access who did not require access to GAS to perform her job duties. Subsequent to our inquiry, FDCA personnel terminated the employee's access.
- Changes to GAS programming code were made directly into the production environment by a contractor and thus were not subject to user testing prior to being placed in production.
- Additional aspects of FDCA security controls in the area of user access needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDCA security. Appropriate FDCA personnel have been notified of the issues.

**Cause**

FDCA staff indicated that FDCA management determined that security access levels initially established within GAS caused inefficiency in the approval process and were ultimately removed.

**Effect**

Absent appropriate security and change management procedures, the integrity of the data contained within GAS is subject to increased risk of compromise.

**Recommendation**

We recommend FDCA implement appropriate system security controls and procedures to ensure that access to the system is properly reviewed, approved, and monitored. Additionally, we recommend that FDCA implement change management procedures to ensure that changes to GAS are appropriately approved, documented, and tested prior to being placed in operation.

**State Agency Response and  
Corrective Action Plan**

Written procedures will be developed to ensure that the Department's GAS administrator will be responsible for periodically maintaining security and access control. The User/Security screen is only accessible for editing by management and only necessary Community Assistance Section staff will have access to the GAS. Implementation of user access "passwords" will be considered to provide additional security. Also, the contractor performing maintenance and changes will be provided access only when required to perform installations.

Although there has been a change management process followed since the inception of the GAS, written procedures have not been formalized. These procedures will be developed. The contractor has a functional beta system environment which is utilized to create changes and test compatibility. The change is then presented to management in the beta environment for review and approval. Upon approval, the contractor is granted access to the GAS and performs the upload. Department staff then process transactions in the production system environment to ensure that it is functioning properly and no errors are occurring in relation to the change.

**Estimated Corrective  
Action Date**

March 1, 2009

**Agency Contact and  
Telephone Number**

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## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-047</b>
<b>CFDA Number</b>	93.568
<b>Program Title</b>	<b>Low-Income Home Energy Assistance Program (LIHEAP)</b>
<b>Compliance Requirement</b>	Period of Availability of Federal Funds, Reporting
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	07B1FLLIEA 2007
<b>Finding Type</b>	Noncompliance and Significant Deficiency – Period of Availability of Federal Funds Significant Deficiency – Reporting Questioned Costs – \$1,679,589.48
<b>Finding</b>	FDCA's procedures for calculating the grant amount to be carried over were ineffective to ensure that the carryover was within the limit established by Federal regulations. Consequently, FDCA carried over funds totaling \$1,679,589.48 in excess of the ten percent limitation.
<b>Criteria</b>	42 USC 8626 <i>Payments to States, fiscal year requirements respecting availability, etc.</i> ; 45 CFR 96 Subpart H <i>Low-Income Home Energy Assistance</i> ; 45 CFR 96.80/96.81 <i>Scope and Carryover and Reallotment, and Subpart B – General Procedures</i> ; Section 2607(b) of the Low-Income Home Energy Assistance Act, Title XXVI of Public Law 97-35, the Omnibus Budget Reconciliation Act of 1981, as amended; Simplified Instructions for Timely Obligation of LIHEAP Funds and Reporting Funds for Carryover and Reallotment
<b>Condition</b>	Pursuant to Federal regulations, FDCA could have held available ten percent of the 2007 LIHEAP grant award, for obligation in the second Federal fiscal year of the grant (October 1, 2007, through September 30, 2008). Funds in excess of the ten-percent computation were to be made available to USDHHS for reallotment. FDCA's 2007 grant award totaled \$27,969,958, exclusive of leveraging funds which are not subject to the carryover limitation. Consequently, ten percent of the 2007 grant award totaled \$2,796,995.80. FDCA records indicated that funds totaling \$4,476,585.28 were carried over, or \$1,679,589.48 more than the ten-percent limitation.
<b>Cause</b>	Our review of FDCA's carryover calculations identified several errors, which included but were not limited to, the exclusion of funds available under a contingency award totaling \$1,442,486 and administrative costs totaling \$524,836, which were not obligated at September 30, 2007. FDCA excluded the \$1,442,486 on the basis of the award's issuance three business days prior to the end of the grant's first Federal fiscal year. Additionally, FDCA based its computation, in part, on the September 30, 2007, Financial Status Report. Consequently, deficiencies in reporting procedures, as described in finding No. FA 08-067 would affect decisions made based on reported amounts.
<b>Effect</b>	FDCA inaccurately reported the financial status of grant funds on its September 30, 2007, Financial Status Report, submitted on October 15, 2007, and did not make \$1,679,589.48 available to USDHHS for reallotment as required.
<b>Recommendation</b>	We recommend that FDCA management review its procedures and revise them as necessary to ensure that excess funds are made available to the USDHHS for reallotment as required.

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<b>State Agency Response and Corrective Action Plan</b>	<p>The Department has revised its procedures to report only documented obligations on the SF-269 report. This change in reporting procedures will ensure that the Department will adhere to the ten percent carry over limitation of the grant award. Any amount in excess of the ten percent limitation will be made available to USDHHS for reallocation as required.</p> <p>The current SF-269 report has been completed correctly and submitted. However, the first opportunity to submit a correct report was September 30, 2008, which fell outside the timeline for this review.</p>
<b>Estimated Corrective Action Date</b>	September 30, 2008
<b>Agency Contact and Telephone Number</b>	Paula Lemmo (850) 922-1844

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-048</b>
<b>CFDA Number</b>	93.568
<b>Program Title</b>	<b>Low-Income Home Energy Assistance Program (LIHEAP)</b>
<b>Compliance Requirement</b>	Period of Availability of Federal Funds, Reporting
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	06B1FLLIEA 2006
<b>Finding Type</b>	Significant Deficiency Questioned Costs – \$71,472.63
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-052
<b>Finding</b>	FDCA reported obligations totaling \$71,472.63 for the 2006 grant award that were not documented as obligations occurring during the period of availability.
<b>Criteria</b>	45 CFR 96.14, <i>Time period for obligation and expenditure of grant funds</i> ; Federal Financial Status Report (SF-269) instructions  45 CFR 74.2, (HHS Common Rule) defines obligations as the amounts of orders placed, contracts and grants awarded, services received, and similar transactions during a given period that require payment by the recipient during the same or a future period. While the Common Rule is not applicable to LIHEAP, the term obligations is not further defined within the Program-specific regulations. Absent an alternative definition, it is reasonable to apply the Common Rule definition of obligations to LIHEAP.
<b>Condition</b>	Pursuant to Federal regulations, FDCA was required to obligate funds for the 2006 grant award by September 30, 2007, the end of the second year of the award period. The 2006 grant award totaled \$49,790,178. FDCA reported on its Federal Financial Status Report (SF 269) dated October 15, 2007, for the period ended September 30, 2007, that the full amount of the grant award had been expended or was obligated, except for \$5,280. This amount pertained to a reallocation of 2006 LIHEAP funds that USDHHS indicated was not required to be obligated until September 30, 2008. Our review of documentation supporting the \$122,847.30 reported as the Federal share of unliquidated obligations indicated that \$71,472.63 was not supported by documents evidencing that the moneys had been obligated.
<b>Cause</b>	FDCA staff indicated that the remaining unobligated grant balance of \$71,472.63 was reported as obligated as was FDCA practice. According to the Summary Schedule of Prior Audit Findings, corrective action in response to a similar prior audit finding would not have been taken until July 1, 2008, subsequent to the preparation of the SF 269 for the period ended September 30, 2007.
<b>Effect</b>	FDCA inaccurately reported the financial status of grant funds and improperly retained the opportunity to expend grant funds that were not documented as obligations incurred during the period of availability.
<b>Recommendation</b>	We recommend that FDCA identify obligations occurring during the period of availability and report as such on the Financial Status Report.
<b>State Agency Response and Corrective Action Plan</b>	Beginning with the September 30, 2008 reporting period, the financial status reports submitted for this program only reflected obligations that were identified in the state accounting system. We will continue this process for all future reports. Written procedures will be developed and training will be provided to staff for this process.
<b>Estimated Corrective Action Date</b>	September 30, 2008 with written procedures and formal training by April 1, 2009

**Agency Contact and  
Telephone Number**

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## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-049</b>
<b>CFDA Number</b>	93.575, 93.596 17.207, 17.801, 17.804 17.258, 17.259, 17.260
<b>Program Title</b>	<b>CCDF (Child Care and Development Fund) Cluster, Employment Service (ES) Cluster, WIA (Workforce Investment Act) Cluster</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles; Eligibility; Matching, Level of Effort, and Earmarking; and Reporting
<b>State Agency</b>	<b>Florida Agency for Workforce Innovation (FAWI)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	Contrary to its security policy, FAWI did not develop a security plan and did not complete security certification and accreditation of the Enhanced Field System (EFS) and the One Stop Management Information System (OSMIS).
<b>Criteria</b>	<p>FAWI <i>Information Systems Security Program</i>, Policy No. 5.02, established responsibilities and operating policies and procedures for ensuring an adequate level of information security for all information collected, created, processed, transmitted, stored, or disseminated on FAWI information systems. This policy includes by reference Federal Information Processing Standards (FIPS) and National Institute of Standards and Technology (NIST) Special Publication (SP) 800 Series, which provide standards applicable to Federal information systems.</p> <p>Information Technology (IT) Industry Standards:  IT Governance Institute <i>Control Objectives for Information Technology (COBIT 4.1)</i>:  DS5.5 Security testing, Surveillance and Monitoring – IT security should be reaccredited in a timely manner to ensure that the approved information security baseline is maintained.</p> <p>National Institute of Standards and Technology <i>Guide for the Security Certification and Accreditation of Federal Information Systems</i>, Special Publication 800-37.</p>
<b>Condition</b>	<p>FAWI and the State's 31 early learning coalitions (ELCs) used EFS to administer the CCDF Cluster. EFS is integral to CCDF Program compliance as it is used for enrollment, eligibility determination, client management, reporting, and provider payments. EFS is a vendor-owned distributed data system, with FAWI the owner of the enhancements. Controls related to EFS security and access are based on user roles assigned by the ELCs. Security guidelines related to EFS passwords are also assigned by each ELC.</p> <p>FAWI and the Regional Workforce Boards (RWBs) used OSMIS in the administration of the ES Cluster and WIA Cluster Programs. OSMIS is a FAWI-owned Web-based system that provides for the financial management of all grants received, allocated, approved and expended by the RWBs on Federal workforce development programs.</p> <p>FAWI security policy requires all FAWI major information systems to have an approved security plan and complete a security certification and accreditation (i.e., security authorization process). Although FAWI identified EFS and OSMIS as major information systems, FAWI did not develop a security plan and did not perform a certification and accreditation for EFS and OSMIS.</p>
<b>Cause</b>	FAWI records made available to us during our audit did not provide an indication as to why FAWI did not apply its security policy in these instances.

<b>Effect</b>	Absent an approved security plan, FAWI management cannot demonstrate that they have summarized information security requirements for the system and described the security controls in place or planned for meeting those requirements. Also, absent a completed security certification and accreditation, FAWI has limited assurance that security controls are implemented correctly, operating as intended, and producing the desired outcome with respect to meeting the security requirements for EFS and OSMIS.
<b>Recommendation</b>	We recommend that FAWI, in compliance with its established security policy, develop and approve a security plan and complete a security certification and accreditation for EFS and OSMIS.
<b>State Agency Response and Corrective Action Plan</b>	<p>AWI is currently developing system security plans (SSP) for both EFS and OSMIS. Each business unit is scheduled to have the documents completed and signed by March 1, 2009.</p> <p>Upon approval of each SSP, the business units will begin the Certification and Accreditation process for both EFS and OSMIS which is scheduled to be completed by October 1, 2009.</p>
<b>Estimated Corrective Action Date</b>	October 1, 2009
<b>Agency Contact and Telephone Number</b>	Scott Stewart (850) 245-7305

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-050</b>
<b>CFDA Number</b>	93.575, 93.596 17.258, 17.259, 17.260
<b>Program Title</b>	<b>CCDF (Child Care and Development Fund) Cluster, WIA (Workforce Investment Act) Cluster</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles, Eligibility, Reporting, and Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Agency for Workforce Innovation (FAWI)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-054
<b>Finding</b>	FAWI monitoring procedures did not include monitoring subrecipient-established Enhanced Field System (EFS) and One Stop Management Information System (OSMIS) security policies and controls during the 2007-08 fiscal year.
<b>Criteria</b>	<p>OMB Circular A-133, §__.400(d) <i>Pass-through entity responsibilities</i>, §__.300(f) <i>Auditee Responsibilities</i></p> <p>45 CFR 98.11(b)(6),(8), <i>Administration under contracts and agreements</i></p> <p>20 CFR 667.400, <i>Who is responsible for oversight and monitoring of WIA title I grants?</i> and 20 CFR 667.410, <i>What are the oversight roles and responsibilities of recipients and subrecipients?</i></p> <p>Section 411.01(4)(l), Florida Statutes, requires FAWI to monitor and evaluate the performance of each early learning coalition (ELC) in administering Federal and State programs. These monitoring and performance evaluations must include, at a minimum, on-site monitoring of each ELC's finances, management, operations, and programs.</p> <p>FAWI <i>Information Systems Security Program</i>, Policy No. 5.02, established responsibilities and operating policies and procedures for ensuring an adequate level of information security for all information collected, created, processed, transmitted, stored, or disseminated on FAWI information systems. This policy includes by reference Federal Information Processing Standards (FIPS) and National Institute of Standards and Technology (NIST) Special Publication (SP) 800 Series, which provide standards applicable to Federal information systems.</p>
<b>Condition</b>	<p>FAWI and the State's 31 ELCs used the EFS to administer the CCDF Cluster. EFS is integral to CCDF Program compliance as it is used for enrollment, eligibility determination, client management, reporting, and provider payments. EFS is a vendor-owned distributed data system, with FAWI the owner of the enhancements. Each ELC establishes security policies and controls related to EFS at the local level, e.g., access privileges are assigned by the ELCs. Relative to this process, FAWI included in the 2007-08 ELC grant agreements a provision that required ELCs to demonstrate due diligence in safeguarding information resources by establishing policies and procedures for information systems security that contain criteria and standards as set forth in FAWI's security policy.</p> <p>OSMIS is a FAWI-owned Web-based system that provides for the financial management of all grants received, allocated, approved, and expended by the Regional Workforce Boards (RWBs) on Federal workforce development programs, including WIA Cluster Programs. Provisions in the 2007-08 master cooperative agreements between the RWBs and FAWI require each RWB to comply with all FAWI directives and policies. Therefore, FAWI management indicated that the RWBs are required to comply with FAWI's security policy.</p> <p>During the 2007-08 fiscal year, subrecipient monitoring was performed at the ELCs and RWBs, including internal control reviews and financial monitoring</p>

reviews. These reviews were conducted by independent contractors utilizing monitoring tools developed by FAWI. FAWI enhanced its on-site monitoring tools for the 2007-08 fiscal year reviews to address certain information systems security controls as identified in NIST SP 800-53. For example, recommended security controls within selected areas of access controls, system and information integrity, and contingency planning. However, other areas of security controls, as identified in NIST SP 800-53, were not addressed on the monitoring tool. For example, security awareness and training and system and communications protection, specifically, protecting the confidentiality of transmitted information.

FAWI management indicated that at the ELC and RWB level, multiple information technology (IT) systems, e.g., EFS, OSMIS, and financial accounting systems, are utilized to conduct business on a daily basis. For the 2007-08 monitoring cycle, FAWI made a decision to focus primarily on testing IT security controls of the local financial accounting systems based on an assessment of risks. Although FAWI management had identified EFS and OSMIS as major information systems, EFS and OSMIS security controls were not evaluated.

FAWI management indicated that FAWI staff had developed a monitoring tool for the annual CCDF Program eligibility monitoring, that included EFS data system review for compliance with FAWI's security policy; however, the use of this tool was not implemented until July 2008.

#### **Cause**

FAWI management indicated that the observations and recommendations related to IT security controls made in its monitoring of the local financial accounting systems were made on a global level so that the ELCs and RWBs could apply the information provided to all IT systems including EFS and OSMIS. FAWI management also indicated that it was not feasible nor was it required to test security controls for each of the IT systems in a single year. However, FAWI had not demonstrated through its assessment of risk how EFS and OSMIS security controls were considered and determined either to not be significant for consideration during the monitoring of its subrecipients, or when the monitoring would occur.

#### **Effect**

Absent effective monitoring of EFS and OSMIS security policies and controls established by each ELC and RWB, CCDF and WIA Cluster Programs data may not be adequately safeguarded and any unauthorized system use or data loss may not be timely detected.

#### **Recommendation**

We recommend that FAWI ensure that its monitoring process includes ELCs and RWBs system security policies and controls and the implementation of FAWI's security policy.

#### **State Agency Response and Corrective Action Plan**

FAWI financial staff carefully planned the scope of its 2007-08 monitoring activities. Factors considered during the planning process included state and federal requirements and an assessment of risks. The Agency recognized the risks associated with information technology (IT) security controls and incorporated testing of these controls into the 2007-08 monitoring plan.

At the RWB and ELC level, multiple IT systems are utilized to conduct business on a daily basis. These systems include EFS, OSMIS and various accounting systems. The Agency recognized that it was not feasible nor was it required to test security controls for each of these systems in a single year. Therefore, for the 2007-08 monitoring cycle, the Agency made a decision to focus primarily on testing IT security controls of the local financial accounting systems based on an assessment of risks. For example, in the RWBs, detailed accounting data is initially captured in local accounting systems and then summary information is entered into OSMIS. The monitoring process specifically tested security controls of the local accounting systems and then tested that OSMIS data agreed to the local accounting system data at each RWB.

Although the accounting systems were the primary focus for testing of IT security controls in 2007-08, observations and recommendations related to these controls

were made on a global level so that the RWBs and ELCs could apply the information provided to all IT systems including EFS, OSMIS and the accounting systems. The IT security control recommendations from the 2007-08 monitoring activities clearly demonstrate the global nature of the recommendations made relative to IT security controls.

In summary, FAWI fully recognizes the importance of its role in monitoring the activities of its subrecipients. Countless hours are spent each year planning, assessing risks, reviewing what other states are doing, and developing the tools for monitoring. The Agency believes the approach taken in 2007-08 with regard to monitoring IT security controls was reasonable and provided excellent recommendations to the RWBs and ELCs for improving security controls in all the IT systems used by these entities including EFS and OSMIS.

**Estimated Corrective  
Action Date**

June 30, 2009

**Agency Contact and  
Telephone Number**

Kevin Thompson  
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## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-051</b>
<b>CFDA Number</b>	93.659
<b>Program Title</b>	<b>Adoption Assistance</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed and Eligibility
<b>State Agency</b>	<b>Florida Department of Children and Family Services (FDCFS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	0701FL1407 2007 and 0801FL1407 2008
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$23,905.10 (Federal Share \$12,175.31) (Federal Grant Award Number 0701FL1407 - Federal Share \$2,288.51, and Federal Grant Award Number 0801FL1407 - Federal Share \$9,886.80)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-056
<b>Finding</b>	FDCFS made Adoption Assistance payments on behalf of children who were not eligible or in amounts in excess of program limits.
<b>Criteria</b>	42 USC 673, <i>Adoption Assistance Program</i> ; Foster Care and Adoption Assistance State Plan
<b>Condition</b>	<p>FDCFS has responsibility for determining Adoption Assistance eligibility. Community-Based Care agencies (CBCs) provide documentation and maintain the case files supporting client eligibility. Adoption Assistance Program assistance payments during the 2007-08 fiscal year totaled \$76,452,299. We examined 40 case files of children receiving Adoption Assistance subsidy payments during the 2007-08 fiscal year to determine if eligibility requirements were met and documented. We noted one instance in which the initial adoption agreement was signed and became effective in February 2006, subsequent to the final adoption decree in July 1999. Under this condition, the client would not be eligible to receive benefits under the Program. In this instance, benefits paid during the 2007-08 fiscal year totaled \$364.</p> <p>Our audit procedures disclosed instances in which the CBCs made incorrect payments. Specifically, we noted the following:</p> <ul style="list-style-type: none"> <li>• The Adoption Assistance Program may reimburse up to \$1,000 in nonrecurring expenses related to the adoption of a child. Monitoring these payments to ensure specified limits are not exceeded is a manual process and is the responsibility of the case worker. We performed analytical procedures on case files which reported nonrecurring expenses. We noted that two circuits did not comply with the \$1,000 nonrecurring expenses limit. The two circuits incurred overpayments of \$11,089.63 (14 instances) and \$9,630.10 (12 instances), respectively, for a total overpayment of \$20,719.73.</li> <li>• The Adoption Assistance Program may provide adoption assistance to the adoptive parents for the support and maintenance of an eligible child until the 18<sup>th</sup> birthday of such child. Determining when payments should end based on the age of the child is a manual process and is the responsibility of the child's case worker. We performed analytical procedures to determine if payments were made beyond the 18<sup>th</sup> birthday of an eligible child. We noted 11 instances in 5 districts in which FDCFS did not timely enforce the age limit. Subsequent to our inquiry, FDCFS discontinued the maintenance payments for these cases; however, maintenance payments were made for 8 to 22 days after the 18<sup>th</sup> birthday in 10 instances and for 87 days for one instance. These 11 instances resulted in overpayments of \$2,821.37 during the 2007-08 fiscal year.</li> </ul>
<b>Cause</b>	The payment of \$364 on behalf of an ineligible child was due to a case worker moving the child from a Federal assistance program, under which the child was eligible to receive benefits, to the Adoption Assistance Program in error.

	<p>Additionally, manual processes were not always effective in ensuring that limits on payments were not exceeded.</p>
<b>Effect</b>	<p>Adoption Assistance Program funds were used to pay benefits for children who were not eligible to receive Program services or were paid in excess of Program limits.</p>
<b>Recommendation</b>	<p>We recommend that FDCFS consider implementing electronic edits or other procedures to periodically monitor adoption assistance benefit payments to ensure payments are made only on behalf of eligible children and are within Program limits.</p>
<b>State Agency Response and Corrective Action Plan</b>	<p>The Department concurs with the finding. The Office of Family Safety will take the following actions to address the finding and recommendation.</p> <p>The relevant regions, circuits, and Community-Based Care (CBC) lead agencies will be immediately instructed to recoup error payments no later than 6/30/09.</p> <p>Training and technical assistance will be provided on eligibility policy and appropriate claiming within program limits. Each region, circuit, and CBC with error payments will be asked to develop and implement a corrective action plan that includes a system of checks and balances to ensure that payments are paid from the correct fund source.</p> <p>The Office of Family Safety will institute a redesigned federal funding monitoring process. The process is designed to conduct analytical procedures on specific program requirements such as the \$1,000 limit and cessation upon the 18th birthday.</p> <p>As problematic areas are identified through the monitoring process, monthly revenue maximization conference calls will be used as a forum for training and technical assistance.</p> <p>In addition, implementation of Florida Safe Families Network (FSFN) release 2b in 2009 should be more effective than manual processes in ensuring payment limits are not exceeded.</p>
<b>Estimated Corrective Action Date</b>	<p>June 30, 2009</p>
<b>Agency Contact and Telephone Number</b>	<p>Mukweso Mwenene (850) 922-0510</p>

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-052</b>
<b>CFDA Number</b>	93.767
<b>Program Title</b>	<b>State Children's Insurance Program (SCHIP)</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0705FL5021
<b>Finding Type</b>	Significant Deficiency Questioned Costs – \$253.78
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-058
<b>Finding</b>	FDOH procedures were not adequate to ensure that Children's Medical Services (CMS) payments were accurate and made on behalf of eligible individuals.
<b>Criteria</b>	OMB Circular A-87, Attachment A, Section C, <i>Basic Guidelines</i>
<b>Condition</b>	<p>FDOH receives SCHIP funds through the Florida Agency for Health Care Administration (FAHCA) for the provision of services to eligible children with special health care needs. Providers of CMS services are generally paid based on Medicaid reimbursement rates established by FAHCA. The FDOH Case Management Data System (CMDS) determines the reimbursement amount to be paid to the provider. In this system, the reimbursements are determined based on a table of Medicaid reimbursement rates by fee code number.</p> <p>We tested 40 expenditure transactions, 30 of which related to CMS payments. We noted two instances in which CMS payments to the providers were not proper. In one instance, \$70 was paid for medical services for an individual ineligible for SCHIP. In the other instance, a provider was paid at an enhanced Medicaid reimbursement rate for medical services although the provider was not eligible for the increased rate. The excess reimbursement to this provider totaled \$183.78 during the 2007-08 fiscal year.</p>
<b>Cause</b>	<p>In regard to the ineligible client, the medical services provided were coded incorrectly in the CMDS causing the SCHIP to be charged in error.</p> <p>In regard to the payment of the incorrect reimbursement rate, the physician practice was coded with the specialty code in the FDOH CMDS that allowed the enhanced Medicaid reimbursement rate. However, the particular physician providing the service was not eligible for the enhanced Medicaid reimbursement rate. The payment to the provider was based on the specialty code for the physician practice rather than physician providing the service.</p>
<b>Effect</b>	Improper payments for medical services were made.
<b>Recommendation</b>	We recommend that FDOH CMS enhance procedures to ensure that payments are for services to SCHIP-eligible clients and in the correct amount.
<b>State Agency Response and Corrective Action Plan</b>	<p>Concur. CMS has submitted a Legislative Budget Request for FY 2009-2010 to develop an automated solution to increase accuracy in the SCHIP client payments.</p> <p>Each CMS Area Office is responsible for identifying provider's status in order to enter it into CMDS. Area Offices have two automated systems that are used as reference to obtain required information without having to contact providers. There is a lookup feature in the CMS Provider Panel system (internet based). Area Office staff may also research provider information in the Florida Medicaid Management Information System (FMMIS) since most physicians approved for CMS participation are Medicaid providers.</p> <p>At this time, we believe the department has exhausted all the tools possible to improve the existing manual process. The CMDS software is at least 20 years old</p>

and is not capable of automated to interface with either of the two external systems. CMS depends on the local Area Offices to research and enter this information into CMDS.

Until such time that CMS is able to procure new business software it will continue to rely heavily on the quality of manual processes.

CMS will continue to re-enforce the need to accurately reflect provider status in the CMDS.

**Estimated Corrective  
Action Date**

December 31, 2010

**Agency Contact and  
Telephone Number**

Randy Wilcox  
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## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-053</b>
<b>CFDA Number</b>	93.767
<b>Program Title</b>	<b>State Children's Insurance Program (SCHIP)</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b> <b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0705FL5021
<b>Finding Type</b>	Other
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-057
<b>Finding</b>	FDOH implemented corrective actions to resolve issues noted during prior audits regarding capitation payments charged to SCHIP; however, the cash balance for the SCHIP capitation account remained high at June 30, 2008. We also noted that FAHCA and FDOH were working with Federal officials to resolve related prior audit findings.
<b>Criteria</b>	OMB Circular A-87, Attachment A, Section C, <i>Basic Guidelines</i> - In determining reasonableness of a given cost, consideration shall be given to whether the transaction represents arms-length bargaining.
<b>Condition</b>	<p>FDOH receives SCHIP funds through a capitation agreement with the Florida Agency for Health Care Administration (FAHCA), whereby FAHCA pays FDOH a fixed monthly rate per client enrolled in the Children's Medical Services component of SCHIP. In prior audits, we reported that FDOH received SCHIP funds that exceeded FDOH costs and had accumulated a large cash balance (residual). We also reported that a portion of the residual in the capitation account was used for purposes that were not appropriate charges to SCHIP. (See audit report Nos. 2005-158 and 2006-152, finding Nos. FA 04-065 and FA 05-073, respectively.)</p> <p>Our current review of FDOH activity disclosed that corrective actions had been initiated, in part, through a decrease in the capitation rates from \$518.24 to \$446.52, effective July 1, 2007; however, the balance in the SCHIP capitation account remained high. FDOH records indicated that during the fiscal year ended June 30, 2008, expenditures exceeded capitation revenues and the cash balance for the SCHIP capitation account was \$29.9 million as of June 30, 2008, a decrease of \$1.5 million from that reported at June 30, 2007.</p> <p>In response to a demand letter dated July 2, 2008, from the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), FAHCA management indicated that \$7,269,098.24 of expenditures erroneously charged to SCHIP during the 2003-04 fiscal year would be refunded to SCHIP.</p>
<b>Cause</b>	The high cash balance in the capitation account was a result of FDOH capitation revenues exceeding capitation account expenditures in prior years because the capitation rates were set at an amount higher than that required.
<b>Effect</b>	A residual balance in excess of Program needs has been accumulated.
<b>Recommendation</b>	<p>We recommend that FAHCA and FDOH continue to monitor capitation rates to determine whether additional reductions are needed to prevent the accumulation of excess cash and work with CMS to promptly resolve other prior audit findings.</p> <p><b><u>Florida Department of Health</u></b></p>
<b>State Agency Response and Corrective Action Plan</b>	FAHCA and FDOH in collaboration with the Executive office of the Governor and the staff of the House and Senate Appropriation Committees agreed to return \$7.2 million to the Federal CMS related to the previous Florida Auditor General findings regarding the Florida appropriation of excess cash for non-SCHIP purposes.

Steps are implemented to monitor and manage the Capitation account, current cash balance as of December 31, 2008 reflects a total of \$8,932,923.52. The program cash balance is now less than 10% of projected annual expenditures. This is within the authorized amount as referenced in Florida Statute 391.026(16)(a)

Completed, CMS will continue monitoring cash balances and recommend Corrective Action Plan Premium adjustments as indicated thru the KidCare Estimating Conference.

**Estimated Corrective  
Action Date**

December 31, 2008

**Agency Contact and  
Telephone Number**

Randy Wilcox  
(850) 245-4219

**Florida Agency for Health Care Administration**

**State Agency Response and  
Corrective Action Plan**

The KidCare Social Services Estimating Conference is the group that reviews the CMS capitation. DOH presents to the KidCare Social Services Estimating Conference the Title XXI Children's Medical Services expenditure history, current enrollment, projected cost, projected enrollment and cash balance to reach consensus on this information. DOH/CMS staff work with AHCA staff on preparation of the materials used for the KidCare Social Services Estimating Conference. AHCA provides the medical cost inflationary information used for projecting future cost based on projected Medicaid cost forecasts. DOH/CMS uses this information to project future cost trends. AHCA pays DOH/CMS based on the rate set by the SSEC and as authorized in the General Appropriations Act for each enrolled child. DOH agreed with the repayment of \$7,269,098.24. A legislative transfer of funds to support activities that were not restricted to Title XXI activities did occur in SFY 2003/04. Such transfers did not occur before that fiscal year or after that fiscal year.

**Estimated Corrective  
Action Date**

Next KidCare Social Service Estimating Conference is scheduled for February 13 2009. The KidCare Social Services Estimating Conference is usually held at least twice a year, in February and October.

**Agency Contact and  
Telephone Number**

Gail Hansen, Medicaid Services  
(850) 922-7890

FA 08-054 FINDING NOT USED.

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-055</b>
<b>CFDA Number</b>	93.767
<b>Program Title</b>	<b>State Children's Insurance Program (SCHIP)</b>
<b>Compliance Requirement</b>	Reporting
<b>State Agency</b>	<b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0705FL5021
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Finding</b>	On the March 31, 2008, CMS 21 report, FAHCA overstated collections and understated net SCHIP expenditures by the amount of \$1,040,694.24.
<b>Criteria</b>	42 USC 1397ee(c)(5) <i>Offset of receipts attributable to premiums and other cost-sharing</i>
<b>Condition</b>	Federal requirements provide that SCHIP expenditures be reduced by the amount of any premiums and other cost-sharing received by the State. These premiums are to be reported as collections on line 29 of the CMS-21 report and reduce the total program expenditures reported. FAHCA staff incorrectly included \$1,040,694.24 in premiums collected for a State program within the \$2,084,230 reported as total collections on the March 31, 2008, CMS 21 report. On the CMS-21 report, these collections were netted against total expenditures, which resulted in an understatement of SCHIP expenditures by the same amount.
<b>Cause</b>	When recording premiums for the State program in the State's accounting system (FLAIR), FAHCA staff incorrectly used the object code established for the SCHIP premiums.
<b>Effect</b>	Inaccurate records and reports may impact the ability of FAHCA management and the Federal grantor agency officials to properly administer the Program.
<b>Recommendation</b>	Subsequent to our audit inquiries, FAHCA staff corrected FAHCA accounting records and correctly reported premiums on the June 30, 2008, CMS-21 report. We recommend that FAHCA review its procedures for recording transactions in FLAIR to ensure that premiums are appropriately coded.
<b>State Agency Response and Corrective Action Plan</b>	We concur. Management is monitoring the FLAIR entries to ensure correct account code information is being used.
<b>Estimated Corrective Action Date</b>	Implemented
<b>Agency Contact and Telephone Number</b>	Paula Shirley (850) 922-8452

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-056</b>
<b>CFDA Number</b>	93.775, 93.776, 93.777, 93.778
<b>Program Title</b>	<b>Medicaid Cluster</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed
<b>State Agency</b>	<b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$4,001,108.06 (Federal Share \$2,293,814.63, Federal Grant Nos. 05-0705FL5028 \$608,452.70, 05-0805FL5028 \$1,685,361.93)
<b>Finding</b>	Internal controls were not sufficient to ensure that certain medical service claims were paid in accordance with established Medicaid policy.
<b>Criteria</b>	42 CFR 430 – <i>Grants to States for Medical Assistance Programs</i> , 42 CFR 433 Subpart C – <i>Mechanized Claims Processing and Information Retrieval Systems</i> , 42 CFR 447 Subpart B – <i>Payment Methods: General Provisions</i>  Medicaid Provider Coverage and Limitations Handbooks and Medicaid Fee Schedules
<b>Condition</b>	<p>Approximately 76,000,000 claims totaling \$13.6 billion were processed for Medicaid services during the 2007-08 fiscal year. We examined a sample of 200 claims paid by the Florida Medicaid Management Information System (FMMIS) during the 2007-08 fiscal year and totaling \$69,065.29 to determine whether the payments were processed in accordance with established Medicaid policies and procedures and were only for allowable activities. Our tests disclosed that 7 of the 200 claims paid did not adhere to established Medicaid policy. Six of these claims were paid at rates that exceeded the maximum allowable rate for the service type, resulting in a total overpayment of \$135.76. The remaining claim for \$190.01 was for an unallowed service, based upon our review of the Medicaid policy. Specifically, our review disclosed the following:</p> <ul style="list-style-type: none"> <li>• For one claim, physician services were paid at a rate of \$1 per unit of service rather than the authorized rate of \$.33 per unit of service, resulting in an overpayment of \$6.70. In another instance for the same claim, physician services were paid at a rate of \$101.12 per unit rather than the authorized rate of \$48.21 per unit of service, resulting in an overpayment of \$105.82.</li> <li>• For one claim, radiology services were paid at a rate of \$3.68 per unit of service rather than the authorized rate of \$3.40 per unit of service, resulting in an overpayment of \$.28.</li> <li>• Two capitation payments to the applicable Health Maintenance Organization (HMO) on behalf of two Medicaid recipients were made at incorrect rates. In both instances, the rate paid was not the correct rate for the service area where the recipient resided. In the first instance, the rate paid was \$83.23 rather than \$79.99. This resulted in an overpayment of \$3.24. In the second instance, the rate paid was \$107.08 rather than \$106.36. This resulted in an overpayment of \$.72.</li> <li>• For two claims, laboratory services were paid at incorrect rates. The rates paid ranged from \$4 to \$28 per service. In the first instance, the claim payment totaled \$101 rather than the correct amount of \$90.90. This represents an overpayment of \$10.10. In the second instance, the claim payment totaled \$89 rather than the correct amount of \$80.10. This represents an overpayment of \$8.90.</li> <li>• For one claim, an outpatient hospital visit was billed as a stand-alone service. Payment for this service is allowable only with certain other medical services.</li> </ul>

The claim totaled \$190.01.

We also performed queries of FMMIS data for claims paid during the 2007-08 fiscal year for certain types of home health services, dental services, and Developmental Disabilities Waiver services to determine whether unallowable claims were paid. Total payments for the claims queried totaled \$194,240,970.58 during the 2007-08 fiscal year. Our queries disclosed instances in which payments totaling \$4,000,782.29 were made for selected service types that were not in accordance with established Medicaid policy. Specifically, we noted the following:

- According to the Medicaid Provider Coverage and Limitations Handbook for Home Health Services, personal care service and private duty nursing service claims are not to be billed for less than two hours of service. Additionally these services are required to have prior authorization for reimbursement. Our queries disclosed 134 claims totaling \$1,251.31 for personal care services and 1,983 claims totaling \$48,775.53 for private duty nursing services that were paid for claims with less than two hours of service. Additionally, our queries disclosed 179 claims totaling \$8,985.50 for personal care services and 9,834 claims totaling \$2,435,513.29 for private duty nursing services that were reimbursed without prior authorization.
- According to the Medicaid Provider Coverage and Limitations Handbook for the Developmental Disabilities Wavier Services Special Medical Home Care, services are to be provided in a licensed group home and prior authorization is required from the Florida Agency for Persons with Disabilities. Our queries disclosed 690 claims totaling \$1,505,707.66 that were paid for Special Medical Home Care services that had a place of service code indicating Other Place of Service rather than the service code for Group Home. Also, there was no evidence of prior authorization for these services.
- The Medicaid Provider Coverage and Limitations Handbook for Dental Services requires that for periodontal services, certain types of services could not be billed on the same date of service, for the same recipient, by the same provider. Our queries disclosed that contrary to this policy, one claim totaling \$159 for gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth and gingivectomy or gingivoplasty – one to three contiguous teeth or bounded teeth were claimed together for the same date of service for the same recipient, by the same provider. Likewise, eight claims totaling \$390 for periodontal scaling and root planning – four or more teeth per quadrant and periodontal scaling and root planning – one to three teeth per quadrant were claimed together for the same date of service for the same recipient by the same provider, contrary to Medicaid policy.

<b>Cause</b>	The specific internal control deficiencies resulting in the above-noted instances of noncompliance were not apparent from our examination.
<b>Effect</b>	Absent appropriate controls, erroneous claims may be processed and paid, and may remain undetected by FAHCA personnel.
<b>Recommendation</b>	We recommend that FAHCA ensure that appropriate electronic or manual controls are in place and operating effectively to ensure that Medicaid claims are accurately and properly processed by FMMIS.
<b>State Agency Response and Corrective Action Plan</b>	The Agency Medicaid Services bureau will coordinate with the Medicaid Contract Management bureau to ensure that appropriate modifications are made to the FMMIS for the noted discrepancies between how FMMIS processed certain claims and what is recorded in policy handbooks for the noted claim types.

**Estimated Corrective  
Action Date**

October 2009

**Agency Contact and  
Telephone Number**Alan Strowd, Medicaid Contract Management  
(850) 922-2726Beth Kidder, Medicaid Services  
(850) 488-9347

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-057</b>
<b>CFDA Number</b>	93.775, 93.776, 93.777, 93.778
<b>Program Title</b>	<b>Medicaid Cluster</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed
<b>State Agency</b>	<b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
<b>Finding Type</b>	Questioned Costs – \$3,789,801.30 (Federal Share \$2,172,415.69 - Federal Grant Nos. 05-0705FL5028, \$568,468.30; 05-0805FL5028, \$1,603,947.39)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-060
<b>Finding</b>	Overpayments made to HMO plans on behalf of deceased clients were not timely recouped.
<b>Criteria</b>	42 CFR 438 – <i>Managed Care</i>
<b>Condition</b>	During the 2007-08 fiscal year FAHCA paid approximately \$2.6 billion in fixed monthly payments (i.e., capitation) to HMO plans. Audit queries of the Florida Medicaid Management Information System (FMMIS) for these payments disclosed payments totaling \$4,592,914.27 in which HMO plans were paid on behalf of Medicaid recipients subsequent to the recipient's date of death. FAHCA contracted with a third-party vendor to identify and recoup this type of overpayment. Generally, this process is completed quarterly and encompasses five years of Medicaid paid claims. In response to our audit inquiry, FAHCA staff indicated that during the 2007-08 fiscal year, the process of identifying overpayments was only completed for the quarter ended March 31, 2008, and would have included claims back to 2003. Likewise, our audit queries disclosed that the overpayments were not always timely recouped. For example, HMO overpayments for the month of July 2007 totaled \$370,696.32. However, as of June 30, 2008, only 15 percent of the July 2007 overpayments had been recouped by FAHCA. The balance of HMO overpayments during the 2007-08 fiscal year not recouped as of June 30, 2008, totaled \$3,789,801.30.
<b>Cause</b>	FAHCA staff indicated that HMO overpayments were not timely recouped because of the transition between fiscal agents that occurred July 1, 2008. FAHCA staff also indicated that as of November 1, 2008, a new provider will perform the date of death recoupment projects.
<b>Effect</b>	Erroneous capitation payments were not timely recouped.
<b>Recommendation</b>	We recommend that FAHCA timely recoup claim overpayments.
<b>State Agency Response and Corrective Action Plan</b>	The Agency executed a new Medicaid Third Party Liability (TPL) Contract effective November 1, 2008. Through this contract, the new Vendor, ACS State Healthcare, LLC will conduct the Date of Death Project. The first Date of Death Project will include a five-year review to determine claims paid after the date of death. ACS will conduct the Date of Death Project on a regular basis, each time reviewing five years of paid claims data in order to help ensure timely recoupment of Medicaid funds. As the new TPL Vendor, ACS is currently in the process of receiving and converting to its system, five years of historical claims data. ACS will also receive updated paid claims data on a regular basis. This data is needed in order for ACS to conduct TPL activities as well as other recovery projects such as the Date of Death Project.
<b>Estimated Corrective Action Date</b>	July 1, 2009
<b>Agency Contact and Telephone Number</b>	Jennifer Barrett, Medicaid Program Analysis (850) 487-0925

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-058</b>
<b>CFDA Number</b>	93.775, 93.776, 93.777, 93.778
<b>Program Title</b>	<b>Medicaid Cluster</b>
<b>Compliance Requirement</b>	Eligibility
<b>State Agency</b>	<b>Florida Department of Children and Family Services (FDCFS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
<b>Finding Type</b>	Opinion Qualification, Material Noncompliance, Material Weakness, and Significant Deficiency Questioned Costs \$18,191.34 (Federal Share \$10,377.04) Federal Grant Nos. 05-0705FL5028, \$1,184.39; 05-0805FL5028, \$9,192.65)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-061
<b>Finding</b>	In a significant number of instances, FDCFS was unable to provide sufficient documentation to support the eligibility determinations of individuals receiving Medicaid. FDCFS was also unable to provide documentation that certain data exchange requests had been performed as required. Additionally, data exchanges responses received by FDCFS were not processed timely.
<b>Criteria</b>	42 CFR 435.913 – <i>Case Documentation</i> ; 42 CFR 435.907 – <i>Written Application</i> ; 42 CFR 435.916 – <i>Periodic Redeterminations of Medicaid Eligibility</i> ; 42 CFR 435.948 – <i>Requesting Information</i>  FDCFS Operating Procedures (CFOP) 165-22 Public Assistance Policy Manual Chapters 0600 <i>Application Processing</i> , 1400 <i>Technical Requirements</i> , 1800 <i>Income</i> , 2000 <i>Coverage Groups</i> , and 2400 <i>Budgeting Income</i>
<b>Condition</b>	The Florida Agency for Health Care Administration expended approximately \$12 billion on Medicaid services provided during the 2007-08 fiscal year. Approximately \$5.1 billion of this amount was based on FDCFS determinations of client eligibility to receive Medicaid services. We reviewed 40 case records for individuals receiving Medicaid services to determine whether the records demonstrated that the clients met the eligibility requirements for the Program. Our tests disclosed that for 10 cases FDCFS did not fully document the eligibility of individuals to receive Medicaid services during the 2007-08 fiscal year. Specifically, our review disclosed the following: <ul style="list-style-type: none"> <li>• For six individuals, FDCFS did not sufficiently document that the individuals met the income limits associated with their respective assistance category. <ul style="list-style-type: none"> <li>▪ In four of these instances, a client statement was taken as verification of self-employment income. In two of these instances, the client statement was in the form of a work calendar prepared by the individual. In all four instances, there was no evidence that a temporary exemption from the verification requirements had been applied for and granted in accordance with FDCFS policy. Medicaid services totaling \$11,231.65 were provided to these individuals during the applicable eligibility periods.</li> <li>▪ For one instance, the client rather than the employer had completed the Loss of Income verification form, contrary to FDCFS policy. Medicaid services totaling \$1,576.44 were provided to this individual during the applicable eligibility period.</li> <li>▪ For one instance, the individual initially applied for the State Children's Health Insurance Program (SCHIP) and was referred to FDCFS for consideration for Medicaid services. FDCFS policy states that income verification for such individuals will be performed through data exchange. In this instance, state wage information had been returned through data exchange for three consecutive quarters that indicated a higher income than reported by the client, the consideration of which would have had an</li> </ul> </li> </ul>

adverse effect on the individual's eligibility status. Medicaid services totaling \$762.62 were provided to this individual during the applicable eligibility period.

- For two individuals, FDCFS was unable to provide complete copies of the application submitted by the individual. In one instance, FDCFS was unable to provide a copy of the application. In the other instance, the application provided by FDCFS was missing pages related to income, assets, and household size. Medicaid services totaling \$1,368.13 were provided to these individuals during the applicable eligibility period.
- For one individual, FDCFS case records did not document United States citizen or qualified noncitizen citizenship status. Medicaid services totaling \$927.65 were provided to this individual during the 2007-08 fiscal year. Subsequent to audit inquiry, FDCFS provided evidence of qualifying citizenship status.
- For one individual, FDCFS did not redetermine eligibility after the individual had received Medicaid services for 12 months. As of June 30, 2008, Medicaid services totaling \$2,182.85 had been provided to the individual subsequent to the close of the 12-month eligibility period.

In addition to the ten above-noted instances, FDCFS incorrectly calculated the share of costs for one individual enrolled in a Medically Needy assistance category. In this instance, an incorrect income amount was used in the calculation of the individual's share of costs. This resulted in \$142 of Medicaid services charged to the Medicaid Program rather than to the individual.

Data Exchange. Federal regulations require FDCFS to verify certain eligibility information through electronic data exchange with other State and Federal agencies. One of the data exchange requirements is that earned income shown for individuals by FDCFS eligibility records must be compared with State wage information at least quarterly. FDCFS has also established time frames of 10 or 45 days, depending upon the type of data exchange, for processing the information returned by data exchange procedures. Our review of 40 case records for individuals receiving Medicaid services disclosed that:

- For 30 cases, FDCFS did not retain documentation evidencing that state wage information had been requested at least quarterly. In connection with this matter, we noted that the FDCFS had not negotiated an agreement with the Florida Department of Revenue (FDOR) for the provision of State wage information at the needed intervals. Such an agreement may better ensure the timely availability of State wage information.
- For 15 cases, FDCFS did not process data exchange responses received by FDCFS within the established time frames. For example, one data exchange that should have been reviewed within 45 days after receiving the response on January 31, 2008, had not been reviewed as of the date of our examination 222 days later. The untimely processing of data exchange responses is also disclosed in finding No. 3 of audit report No. 2008-197.

## Cause

Causes for the failure to document client eligibility were not apparent from FDCFS records or our inquiries with FDCFS management and staff.

In response to audit inquiry, FDCFS staff indicated that documentation evidencing that certain data exchanges had been requested was not retained because of FDCFS archiving policy. FDCFS staff indicated that archived data exchange requests were not restorable. FDCFS further indicated that, in response to our prior audit, it is redesigning the archive retrieval process. In response to audit inquiry during the audit field work for audit report No. 2008-197, FDCFS management indicated that a large volume of unprocessed overdue data exchange responses existed because of an insufficient number of staff.

<b>Effect</b>	Medicaid services may have been provided to individuals for whom Medicaid eligibility was not determined. Additionally, failure to appropriately use data exchange information may preclude FDCFS from identifying changes in client eligibility status.
<b>Recommendation</b>	We recommend that FDCFS enhance staff compliance with procedures established to ensure that eligibility is fully documented. We also recommend that FDCFS enter into an agreement with FDOR for the provision of wage information at the required time frames. In addition, we recommend that FDCFS process data exchange responses and any related eligibility status adjustments within the established time frames.
<b>State Agency Response and Corrective Action Plan</b>	<p>1. Of the six cases that were cited for insufficient documentation of income, four cases contained self-employment income.</p> <p>a. In the two cases that had self-employment income verified by work calendars, which is acceptable per Automated Community Connections to Economic Self-Sufficiency (ACCESS) policy, there was no documentation that a temporary exemption was granted. ACCESS will revise its policy manual to include an expanded definition of business records and to exclude the need to gain a temporary exemption to align with current business practices.</p> <p>b. The six cases will be referred to benefit recovery. The regions will be asked to do in-service training on verification of self-employment income.</p> <p>2a. In the one instance that an application was not provided, the local service center will be asked to reconstruct the case.</p> <p>b. The one case cited for an incomplete application was missing pages related to income, assets, and household size. The application met the minimum acceptable criteria for a complete application per ACCESS policy; however, this was a paper application and it is unclear if the missing pages were submitted by the client. Any missing information was obtained during the eligibility determination process. A policy reminder will be issued to staff to scan paper applications in their entirety, as submitted by the client.</p> <p>3. One case was cited for failure to document qualified noncitizen status. As the original documentation was not available in the ACCESS scanned imaging system, a copy dated subsequent to the audit inquiry was provided to support the qualified noncitizen status as reflected in the electronic record. The copy was obtained from the Systematic Alien Verification for Entitlements (SAVE) system, which does not retain a history of initial verification requests.</p> <p>In 2008, a memo was distributed to staff reminding them of the importance of obtaining U.S. Citizenship and Immigration Service (USCIS) documentation and using Systematic Alien Verification for Entitlements (SAVE) to verify qualified noncitizen status.</p> <p>4. A child under age six received more than 12 months of Medicaid without a review of eligibility. There was no change in the eligibility, even though a review should have been done in 12/2007. An overpayment did not occur. Staff will be reminded to complete eligibility reviews at the prescribed intervals.</p> <p>5. In one case, the share of cost was calculated incorrectly. A referral to benefit recovery will be made.</p> <p>6. This is a repeat finding. As a corrective action for the original finding, the ACCESS program office requested a system enhancement to improve the availability and manner in which archived data exchange requests are retrieved. In October 2008, a work order was completed to develop a procedure to store and retrieve triggers posted on the data exchange requests screen.</p> <p>The Department verified with the Agency for Workforce Innovation (AWI) that a separate agreement to cover this type of data exchange is not needed. The Department retained authority to have on-line access privileges to unemployment</p>

compensation data and unemployment tax (UT) data because of the Interagency Agreement with AWI. Though the UT data is now maintained on the FDOR's System for Unified Taxation (SUNTAX), a separate SUNTAX agreement with FDOR is not required.

7. The Department agrees staff need to timely review data exchange alerts and process any changes related to the information provided. Staff shortages and an increase in workload have contributed to this issue. The Department is in the process of authorizing overtime for ACCESS staff. ACCESS staff will be provided a reminder to process alerts timely.

**Estimated Corrective  
Action Date**

1. July 1, 2009
2. July 1, 2009
3. July 1, 2009
4. July 1, 2009
5. March 1, 2009
6. N/A
7. May 1, 2009

**Agency Contact and  
Telephone Number**

Florence Love (850) 413-6790	(Items 1-5, 7)
Carol Miller (850) 922-3887	
Kara O'Brien (850) 410-3326	(Item 6)

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-059</b>
<b>CFDA Number</b>	93.775, 93.776, 93.777, 93.778
<b>Program Title</b>	<b>Medicaid Cluster</b>
<b>Compliance Requirement</b>	Special Tests and Provisions – Provider Eligibility
<b>State Agency</b>	<b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$3,522,776.21 (Federal Share \$2,012,202.01 – Federal Grant Nos. 05-0705FL028, \$310,797.49; 05-0805FL5028, \$1,701,404.52)
<b>Finding</b>	FAHCA procedures were not sufficient to ensure that Medicaid providers receiving payments had a current provider agreement in effect.
<b>Criteria</b>	42 CFR 431.107 – <i>Required Provider Agreement</i>  Florida Medicaid Provider General Handbook, Section 2 – Requires both institutional and noninstitutional providers enrolled in the Medicaid program to submit a signed and dated Provider Agreement.
<b>Condition</b>	Approximately 43,000 providers, excluding Health Maintenance Organizations and other capitation payment plans, received Medicaid payments during the 2007-08 fiscal year. FAHCA contracted with a fiscal agent to provide the Florida Medicaid Management Information System (FMMIS) that processed Medicaid claims submitted by providers. The Medicaid fiscal agent also was responsible for enrolling providers in the Medicaid Program and ensuring that all provider files were complete. Among the documentation required to be submitted by the provider was a Medicaid Provider Agreement, for a three-year term for an institutional provider and a five or ten-year term for a noninstitutional provider. The Medicaid Provider Agreements specify, among other things, that only a person or entity with a provider agreement in effect can receive payments. The Agreement also states that services performed must have actually been performed for an eligible Medicaid recipient and must have been medically necessary.  We reviewed documentation for 40 providers enrolled in the Medicaid Program and that received payments during the 2007-08 fiscal year to determine whether the provider met the eligibility requirements. Our review disclosed that the Provider Agreement on file with FAHCA for eight providers had expired. The expiration dates for these Provider Agreements ranged from December 31, 2004, to April 15, 2008. Payments made to these eight providers totaled \$3,522,776.21 for the period of time during the 2007-08 fiscal year after the Provider Agreement had expired.
<b>Cause</b>	FAHCA staff indicated that renewed Provider Agreements were not obtained because of delays in changing to a new fiscal agent. FAHCA management indicated that there was a 12-month delay in the start of the new fiscal agent in July 2008, during which time some provider agreements may have expired.
<b>Effect</b>	Failure to ensure that current Provider Agreements are in effect with Medicaid providers could preclude FAHCA from demonstrating provider eligibility and enforcing the provisions of applicable laws, rules, and regulations.
<b>Recommendation</b>	We recommend that FAHCA improve its monitoring of the fiscal agent to ensure that provider files contain current information.
<b>State Agency Response and Corrective Action Plan</b>	As noted by the Agency, there were unanticipated delays regarding the re-enrollment processes, out of control of the Agency. Procedures are already in place and effective regarding the re-enrollment procedures. The Agency will

ensure the re-enrollment processes are initiated in a timely manner.

**Estimated Corrective  
Action Date**

October 2009

**Agency Contact and  
Telephone Number**

Alan Strowd, Medicaid Contract Management  
(850) 922-2726

Shawn McCauley, Medicaid Contract Management  
(850) 922-2726

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-060</b>
<b>CFDA Number</b>	93.775, 93.776, 93.777, 93.778
<b>Program Title</b>	<b>Medicaid Cluster</b>
<b>Compliance Requirement</b>	Special Tests and Provisions - Provider Health and Safety Standards
<b>State Agency</b>	<b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Finding</b>	FAHCA procedures were not sufficient to ensure that facilities receiving Medicaid payments met the required health and safety standards.
<b>Criteria</b>	<p>42 CFR 431.610(c) – <i>Relations with standard-setting and survey agencies</i></p> <p>Florida Medicaid State Plan Section 4.11 - Designates FAHCA as the agency having authority to establish and maintain health and nonhealth related standards for private or public institutions that provide services to Medicaid recipients.</p> <p>FAHCA Division of Health Quality Assurance Licensure and Certification Standard Operating Procedures, Section 6-7 - Establishes time frames for the completion of Life Safety Surveys. Hospitals, nursing homes, and intermediate care facilities for the developmentally disabled (ICF-DD) are to receive a Life Safety Survey on an annual basis, with new Life Safety Surveys conducted within 9 to 15 months of the exit date of the last survey.</p>
<b>Condition</b>	<p>During the 2007-08 fiscal year, Medicaid payments to hospitals, nursing homes, and ICF-DDs, all of which were required to have an annual Life Safety survey, totaled approximately \$6.5 billion. We reviewed documentation for 17 facilities to determine whether FAHCA retained documentation evidencing that the facilities met the required health and safety standards. We noted that for five hospitals, FAHCA could not provide documentation evidencing that the hospitals had received an annual Life Safety Survey within 9 to 15 months of the last survey. In four of these instances, the Life Safety Surveys were completed from 1 to 14 months late. FAHCA made Medicaid payments totaling \$128,699,654.75 to the 4 hospitals for the period of time during the 2007-08 fiscal year in which the hospitals did not have a current Life Safety Survey certification. In the remaining instance, the survey should have been completed by June 2008, but had not been completed as of August 11, 2008. No payments were made to the hospital during this period.</p>
<b>Cause</b>	FAHCA indicated that the Bureau of Plans and Construction is responsible for scheduling and completing the Life Safety Surveys. FAHCA also indicated that the delays in conducting the Life Safety Surveys were due to staff shortages and heavy construction workloads.
<b>Effect</b>	Failure to complete the required Life Safety Surveys could allow facilities to provide Medicaid services without meeting applicable health and safety standards.
<b>Recommendation</b>	We recommend that FAHCA increase its efforts to ensure that staff conduct Life Safety Surveys within the established time frames.
<b>State Agency Response and Corrective Action Plan</b>	We will make the necessary rule, manpower availability and management review changes necessary to assure that Life Safety Surveys are conducted within the established time frames. The delay in surveying Doctors Memorial Hospital arose from an internal miscommunication, which has since been resolved. The Office of Plans and Construction performs fire life safety surveys annually on this hospital except in the years when the area office provides the survey as part of the certification process. The survey dates for the other four facilities were delayed by manpower shortages. The Agency will address this problem through a combination of rule revisions which will include the use of Joint Commission on

Accreditation of Healthcare Organizations (JCAHO) accreditation surveys every third year. We will modify the rule in Florida Administrative Code (FAC) 59A-3 to accept JCAHO accreditation surveys every third year in lieu of the annual state licensure survey. Additionally, modifying the rule in FAC 59A-5 to allow ambulatory surgery centers to skip the year subsequent to the one in which they receive a deficiency-free survey on the first visit will free up man-hours to focus on the timely completion of required surveys of the remaining facilities. Management will improve its scheduling and review of these surveys to ensure they are conducted within the appropriate timeframes.

**Estimated Corrective  
Action Date**

07/31/09

**Agency Contact and  
Telephone Number**

Skip Gregory  
(850) 487-0713

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-061</b>
<b>CFDA Number</b>	93.775, 93.776, 93.777, 93.778
<b>Program Title</b>	<b>Medicaid Cluster</b>
<b>Compliance Requirement</b>	Special Tests and Provisions – Inpatient Hospital and Long-Term Care Facility Audits
<b>State Agency</b>	<b>Florida Agency for Health Care Administration (FAHCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	05-0705FL5028 (Federal 2006-07); 05-0805FL5028 (Federal 2007-08)
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-062
<b>Finding</b>	FAHCA had not developed policies and procedures to provide for the timely review and release of cost report audits of Intermediate Care Facilities for the Developmentally Disabled (ICF-DD) and nursing homes. The cost report audits are performed to ensure that the institutions were paid at the appropriate rate.
<b>Criteria</b>	42 CFR 447.253(g) – <i>Audit Requirements</i>
<b>Condition</b>	<p>Payments for inpatient hospital services and long-term care facility services are based on approved cost-based rates. To ensure the accuracy of those rates, periodic audits of the supporting financial and statistical records of participating providers are required. FAHCA contracted with certified public accounting (CPA) firms to perform the periodic ICF-DD and nursing home cost report audits. FAHCA staff were to review the audited cost reports and working papers prior to releasing the audit reports.</p> <p>Our audit disclosed that FAHCA had not developed policies and procedures to ensure the timely review and release of ICF-DD and nursing home cost report audits. Specifically, FAHCA had not established a methodology for the selection of facilities to be audited or time frames within which the audits should be conducted, reviewed, and released. We noted that the year in which a facility's audit was scheduled was oftentimes from one to three years after the fiscal year selected for examination. Additionally, FAHCA's practice of reviewing the supporting working papers for each CPA audit report may have impeded the timely issuance of the audit reports.</p> <p>As indicated by the following information, FAHCA's practices were not effective for ensuring the timely performance and issuance of cost report audits:</p> <ul style="list-style-type: none"> <li>• Of the 23 ICF-DD audit reports released during the 2007-08 fiscal year, 8 were selected during the 2003-04 fiscal year, 11 during the 2004-05 fiscal year, and 4 during the 2005-06 fiscal year. None of the 14 ICF-DDs selected for audit in the 2006-07 fiscal year had been released as of June 30, 2008. For the ICF-DD audits released during the 2007-08 fiscal year, the average length of time to complete and release an ICF-DD audit report, from the year selected to the year released, was approximately 3.2 years.</li> <li>• As of October 28, 2008, none of the 19 audits resulting in disclaimers of opinion on the ICF-DD cost reports for the 2003-04 and 2004-05 fiscal years had been released, nor had the issues been resolved through other means. (See audit report No. 2008-141, finding No. FA 07-062.) FAHCA staff indicated that they were performing additional work to resolve the reported disclaimers of opinion.</li> <li>• Of the 73 nursing home audit reports released during the 2007-08 fiscal year, 4 were selected for audit during the 2003-04 fiscal year, 9 during the 2004-05 fiscal year, 51 during the 2005-06 fiscal year, and 9 during the 2006-07 fiscal year. For the nursing home audits released during the 2007-08 fiscal year, the average length of time to complete and release a nursing home audit report,</li> </ul>

from the year selected to the year released, was approximately 2.1 years.

- The number of nursing homes selected for audit had decreased from 210 during the 2005-06 fiscal year to 125 in the 2006-07 fiscal year, a reduction of 40 percent. Decreasing the number of audits conducted annually will lengthen, on average, the time between when a nursing home is paid and FAHCA's determination of the appropriate rate.

**Cause**

FAHCA staff indicated that the reasons for the delay in releasing ICF-DD and nursing home audit reports may be the result of staff working on other tasks, such as cost report audit appeals scheduled with the Division of Administrative Hearings or management requests. FAHCA staff also indicated that they rely on professional judgment to govern the scheduling, review, and release of nursing home and ICF-DD audit reports.

**Effect**

Failure to timely release the ICF-DD and nursing home audit reports reduces the effectiveness of efforts to ensure that these facilities are reimbursed at the appropriate rate and limits FAHCA's ability to timely apply rate adjustments, if necessary.

**Recommendation**

We recommend that FAHCA develop policies and procedures to assist in the scheduling and release of nursing home and ICF-DD audit reports, including time frames for the timely release of the audit reports. We also recommend that FAHCA implement a quality assurance review process in which FAHCA staff review the supporting working papers for a sample of CPA audit reports in lieu of the current practice of reviewing the working papers for all audit reports.

**State Agency Response and  
Corrective Action Plan**

The Agency acknowledges the amount of time the review process of Medicaid nursing home and ICF-DD audits takes and is taking steps to maintain maximum staffing levels in order to provide the needed oversight in this process. In addition, the Agency is requesting an additional audit analyst position through the Legislative Budget Request process. The additional analyst would help increase the ability to issue audits in a timelier manner and maintain the quality of the audit oversight.

The Agency has established a system to audit Medicaid nursing home and ICF-DD cost reports. The Agency selects cost reports based on risk criteria to be audited and outsources the audit fieldwork through contract with independent CPA firms. The Agency maintains the quality assurance of the audits through the review process of all audit working papers to determine whether the contract audit firm:

- Completed the examination program,
- Has performed and documented sufficient work to support the proposed adjustments,
- Produced a report that includes all the proposed adjustments based on the work,
- Applied appropriate program knowledge, and
- Has consistently applied Agency policy.

The purpose of the audits is to determine whether the costs included in the cost reports are Medicaid allowable and supported. These costs are used to determine the Medicaid per diem rate for each audited provider. The significance of maintaining a rigorous quality assurance role is important as audit results are used to determine any necessary rate changes for the nursing home and ICF-DD providers. These rate changes are used to determine possible overpayments that are recouped from the provider.

The Agency has determined cost reports to be potentially subject to manipulation and has made a commitment to provide a rigorous level of oversight to ensure a high degree of accuracy for these audits. Recent audits have shown that

providers are including increasingly complex financial transactions that have to be tracked through to conclusion and appropriate adjustments proposed. The complexity of the audits has significantly increased the Agency's review time, as the evaluation process is systematic and careful to properly address the number of issues. The significant dollar value of these adjustments to the Medicaid program warrants that the Agency have the ability to identify and follow the complex transactions.

As the audits represent Agency action, each cost report audit issued has appeal rights under Section 120.57, Florida Statutes. The appeals are defended by the same Agency analysts that perform the audit reviews, as they are the most conversant about the issues that have been uncovered during the review process. The Agency's thorough review of the issues and adjustments are critical for the ability to defend those adjustments. Without appropriate review of all audits, the Agency is at risk to miss adjustments that may determine additional overpayments to the providers.

The Agency has determined that it is at least nine months after assignment to the audit firm before the working papers are submitted to the Agency for review. This time may be much longer if issues develop at the audit firm level that need to be brought to conclusion, before the audit can be submitted to the Agency for review.

Audit reviews are generally handled on a first-in-first-out basis and are usually completed within six months to nine months. The review time may also vary along with the complexities of the audit transactions and the number of audits from a like chain.

Should the provider decide to appeal the issued audit, the provider has the option of attempting to settle the issues or moving the issue to the Division of Administrative Hearings for a legal hearing. Either of these courses of action requires the audit analyst to incorporate this work in with the other audits submitted for review. If an audit appeal does go to hearing, the timing of any other assigned work is changed to meet the requirements of the hearing process. The appeal process usually takes at least a year. The many unknowns presented throughout this process make developing and keeping a timeline for issuing audits difficult.

A reduction of the review process through review of a sample of the reports in order to improve the timing of the issuance of the audit reports increases the risk the Agency may not identify the potential provider overpayments and reduce the ability to defend underdeveloped or overlooked audit adjustments. This reduced review process may also allow for the inconsistent application of Agency policy that might hinder or set precedent in defending the Agency's position during an administrative hearing or settlement process.

The importance of issuing audits in a timelier manner is acknowledged. However, the importance of having defensible audits with well developed issues that may reveal significant overpayments cannot be overlooked when it is the Agency's responsibility to ensure accountability in this process. The reduction in review process does not take away the provider's Chapter 120 rights to appeal the audit adjustments and may potentially require more time for the audit analyst to handle the appeals.

The Agency acknowledges that reducing the level of oversight for these audits to require a sample review of supporting working papers for CPA audit reports rather than a review of working papers for all audit reports may increase the number of audits issued in any given period. However, the provider has appeal rights under Chapter 120.57, Florida Statutes, upon issuance of the report. Issuing reports through a sample review of the working papers will not reduce, and may potentially increase, the amount of time required to defend these audits in the appeal process. Additional adjustments that may be added during the review process would be a lost opportunity for audits not reviewed. The Agency believes it is more prudent to ensure the accuracy of the reports due to the significant

amount of overpayments this process produces.

**Estimated Corrective  
Action Date**

**Agency Contact and  
Telephone Number**

Lisa Milton, Medicaid Program Analysis  
(850) 487 1242

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-062</b>
<b>CFDA Number</b>	93.889
<b>Program Title</b>	<b>National Bioterrorism Hospital Preparedness Program</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	5U90TP417006-08, U90/CCU417006-07-7, 6U3RHS007570-01-02, 1U3REP070010-01-00
<b>Finding Type</b>	Noncompliance Questioned Costs – \$32,210.23
<b>Finding</b>	Contrary to Federal requirements, FDOH did not always maintain records to support salary and benefits charged to the Program. Additionally, FDOH charged a portion of the salary of one contract employee to the Program when the employee's job duties were related to another program.
<b>Criteria</b>	OMB Circular A-87 Attachment B, Section 8.h., <i>Support of Salaries and Wages</i>
<b>Condition</b>	<p>FDOH records indicated that during the 2007-08 fiscal year, expenditures for the Program totaled \$26,558,224.23. These expenditures included \$565,470.55 in salary and benefit costs for FDOH employees and \$1,086,398.02 for payments to contractors for contract employees.</p> <p>We tested 40 expenditures charged to the Program during the 2007-08 fiscal year. Of these expenditures, four were salary payments and three were payments to contractors for contract employees to administer FDOH grant activities. As described below, our test disclosed discrepancies in salary charges in three instances.</p> <ul style="list-style-type: none"> <li>For one FDOH employee, salary and benefits were allocated and charged to multiple programs; however, FDOH did not maintain time and effort records to support the allocation of the employee's salary and benefits costs totaling \$16,114.75 to several Federal programs. Salary and benefits costs for this employee for the period June 15, 2007, through August 30, 2007, were charged to the Program (Federal Grant Nos. 6U3RHS007570-01-02, \$5,373.88; 1U3REP070010-01-00, \$721.35), as well as, to CFDA No. 93.069 Public Health Emergency Preparedness (Federal Grant No. 5U90TP417006-08, \$1,082.04) and CFDA No. 93.283 Center for Disease Control and Prevention - Investigations and Technical Assistance (Federal Grant No. U90/CCU417006-07-7, \$8,937.48).</li> <li>Salary costs attributable to one contract employee for two months totaling \$9,426.08 was charged to the Program; however, a certification was not on file to evidence that the employee worked solely on the Program. (Federal Grant No. 6U3RHS007570-01-02) Subsequent to our inquiry, a certification was obtained for this employee.</li> <li>A portion of one contract employee's salary for two months totaling \$6,669.40 was charged to the Program when the employee's job duties were related 100 percent to CFDA No. 93.283, Center for Disease Control and Prevention - Investigations and Technical Assistance. (Federal Grant No. 6U3RHS007570-01-02)</li> </ul>
<b>Cause</b>	<p>FDOH staff indicated that they did not require 100-percent timekeeping for employees who worked in multiple activities until August 15, 2007, when FDOH policy DOHP 57-03-07 <i>Bureau of Revenue Management Time Keeping Requirements for Federal Programs</i> was implemented.</p> <p>A certification was not obtained for the contract employee who worked solely on the program apparently due to an oversight.</p>

	<p>FDOH staff indicated that the contract employee's salary charged to the Program when the employee's job duties were related to another program resulted from an error on the applicable purchase order.</p>
<b>Effect</b>	<p>The Program was charged costs that were not substantiated by appropriate records or costs for activities that did not benefit the Program.</p>
<b>Recommendation</b>	<p>We recommend that FDOH maintain time and effort records or payroll certifications as appropriate for all employees that work on Federal programs. We also recommend that FDOH restore to the Program, funds inappropriately charged for the contract employee who did not work on that Program.</p>
<b>State Agency Response and Corrective Action Plan</b>	<p>DOHP 57-03-07 Bureau of Revenue Management Time Keeping Requirements for Federal Programs has been implemented for all employees working on Federal programs. Additionally, a Direct Order for one employee's salary was set up incorrectly causing a portion of an employee's salary to be charged to the incorrect federal grant. The office of Public Health Preparedness will work with DHHS to restore funds inappropriately charged to the incorrect program.</p> <ol style="list-style-type: none"><li>1. Implement DOHP 57-03-07 Time Keeping Requirement for Federal Programs.</li><li>2. The Office of Public Health Preparedness will contact DHHS to determine whether funds charged to the incorrect program can be repaid from correct current grant year program since services were directly related to the grant. The Department will adhere to the final decision produced by the grantor agency.</li></ol>
<b>Estimated Corrective Action Date</b>	<p>1. Completed; 2. March 31, 2009</p>
<b>Agency Contact and Telephone Number</b>	<p>Victor Johnson (850) 245-4444, Ext. 4346</p>

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-063</b>
<b>CFDA Number</b>	93.889
<b>Program Title</b>	<b>National Bioterrorism Hospital Preparedness Program</b>
<b>Compliance Requirement</b>	Period of Availability of Federal Funds
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	6U3RHS007570-01-02
<b>Finding Type</b>	Noncompliance Questioned Costs – \$9,449.20
<b>Finding</b>	FDOH charged the Federal grant award for obligations incurred prior to the grant award period.
<b>Criteria</b>	45 CFR 92.23, <i>Period of availability of funds</i>
<b>Condition</b>	FDOH charged \$9,449.20 to the Federal grant award for the period September 1, 2006, through August 31, 2008, for expenditures incurred prior to the funding period. The expenditures were incurred during the 2004-05 Federal fiscal year.
<b>Cause</b>	During grant close-out procedures in August 2007, FDOH staff discovered that a vendor had not been paid. FDOH staff indicated that the vendor never notified FDOH that the invoices had not been paid.
<b>Effect</b>	Expenditures incurred prior to the grant's funding period may be subject to disallowance by USDHHS.
<b>Recommendation</b>	As this is an isolated instance, we recommend that FDOH consult with the Federal grantor agency as to resolution of this matter.
<b>State Agency Response and Corrective Action Plan</b>	<p>Although the period of availability for these funds ended, the funds were used for goods and/or services relating to the grant and should have been paid.</p> <p>FDOH will implement a year end federal award review process that ensures encumbrances for a given award period are fully expended within that award period.</p> <p>FDOH will consult with Department of Health and Human Services on process to request approval for charging federal grant expenditures which occurred in a prior period to a current period award. FDOH will document process for future should this isolated instance occur.</p>
<b>Estimated Corrective Action Date</b>	March 31, 2009
<b>Agency Contact and Telephone Number</b>	Victor Johnson (850) 245-4444, Ext. 4346

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-064</b>
<b>CFDA Number</b>	93.917
<b>Program Title</b>	<b>HIV Care Formula Grants (HIV Grants)</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	6 X07HA00057-17-05 2008 and 2 X07HA00057-18-00 2009
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$78,146.34 (\$77,388.48 Federal; \$757.86 State Match)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-063
<b>Finding</b>	FDOH had established procedures to document employee time and effort as a basis for allocating salaries and benefits to multiple Federal programs or cost objectives. However, the procedures were not consistently applied to pharmacy employees, nor was an approved alternative method implemented for such employees.
<b>Criteria</b>	OMB Circular A-87 Attachment B, Section 8.h., <i>Support of Salaries and Wages</i>
<b>Condition</b>	<p>We examined 40 HIV Grants and State matching expenditures, 19 of which were salary payments. Two of the 19 salary payments tested pertained to one pharmacy employee whose salary and benefits were allocated to multiple cost objectives during the 2007-08 fiscal year. We noted that FDOH did not have time and effort records for the employee, nor did FDOH maintain an approved alternative regulatory compliant personnel activity report or other documentation to support the salary allocation for this employee. FDOH charged salary and benefits totaling \$14,450 for this employee to HIV Grants during the 2007-08 fiscal year. (Federal Grant Nos. 6 X07HA00057-17-05, \$10,370.25; 2 X07HA00057-18-00, \$4,079.75)</p> <p>We identified six additional pharmacy employees whose salaries and benefits were allocated to HIV Grants and other cost objectives during the 2007-08 fiscal year. FDOH could not provide documentation to support the salary allocations for five of these employees. FDOH charged salary and benefits totaling \$63,696.34 for these five employees to HIV Grants during the 2007-08 fiscal year. (Federal Grant Nos. 6 X07HA00057-17-05, \$49,241.33; 2 X07HA00057-18-00, \$13,697.15; and State Match, \$757.86)</p>
<b>Cause</b>	In the instance identified in our sample, FDOH staff indicated that time and effort reporting was not considered to be a viable method for allocating the pharmacy employee's salary. The employee's supervisor estimated an amount based on his observation of the time the employee spent to dispense prescriptions for the AIDS Drug Assistance Program. In the other instances identified, FDOH timekeeping procedures were not followed.
<b>Effect</b>	Absent the time and effort records required by OMB Circular A-87, FDOH had not fully substantiated the salary costs charged to HIV Grants.
<b>Recommendation</b>	We recommend that FDOH maintain time and effort records as required by OMB Circular A-87 or if deemed appropriate, seek USDHHS approval for an alternative method.
<b>State Agency Response and Corrective Action Plan</b>	<p>FDOH will continue to maintain time and effort records as required by OMB Circular A-87 or if deemed appropriate, seek USDHHS approval for an alternative method.</p> <p>The Bureau of HIV/AIDS will contact the pharmacy on a quarterly basis to confirm that staff partially funded by the Ryan White grant are completing timesheets to document the amount of time spent on Ryan White related activities.</p>

**Estimated Corrective  
Action Date**

On-going

**Agency Contact and  
Telephone Number**Sherry Riley  
(850) 245-4420

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-065</b>
<b>CFDA Number</b>	93.917
<b>Program Title</b>	<b>HIV Care Formula Grants</b>
<b>Compliance Requirement</b>	Eligibility
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2 X07HA00057-18-00 2009
<b>Finding Type</b>	Noncompliance Questioned Costs – \$2,152.83
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-064
<b>Finding</b>	As reported on the Summary Schedule of Prior Audit Findings, FDOH conducted technical assistance training and revised training materials to improve efforts to maintain adequate documentation of client eligibility. However, our tests disclosed one instance where client income documentation could not be provided.
<b>Criteria</b>	42 USC 300ff-26(b) Provision of Treatment – <i>Eligible Individuals</i> ; 42 USC 300ff-27(b) State Application – <i>Description of Intended Uses and Agreements</i> ; <i>Determining Eligibility Staff Procedures Manual</i>
<b>Condition</b>	During the 2007-08 fiscal year, FDOH expended \$79,332,452.34 in AIDS Drug Assistance Program (ADAP) funds to purchase drugs for subsequent distribution to eligible clients. We reviewed records for 40 clients receiving AIDS Drug Assistance Program (ADAP) assistance that were enrolled or reenrolled in the Program during the 2007-08 fiscal year. For 1 of the 40 clients, FDOH did not have adequate documentation to support eligibility to receive ADAP benefits. Specifically, FDOH could not provide adequate income documentation, such as pay stubs or self-declaration for the May 2008 re-enrollment period. This client received drug benefits valued at \$2,152.83 in May and June 2008.
<b>Cause</b>	The above-noted instance occurred during a transition period in which a County Health Department assisted a subcontractor as it began providing core eligibility determinations for the Program.
<b>Effect</b>	Drug benefits were provided to a client who may not have met the income eligibility requirement.
<b>Recommendation</b>	We recommend that FDOH continue its efforts to obtain and properly maintain documentation for eligibility determinations.
<b>State Agency Response and Corrective Action Plan</b>	FDOH will continue to provide regular training venues and technical assistance concerning client eligibility determinations.  The Bureau of HIV/AIDS will continue to conduct eligibility training and distribute the eligibility manual to staff on a routine bases. Bureau staff will also provide specific technical assistance to individual field staff as needed or requested.
<b>Estimated Corrective Action Date</b>	On-going
<b>Agency Contact and Telephone Number</b>	Sherry Riley (850) 245-4420

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-066</b>
<b>CFDA Number</b>	Various (See Condition)
<b>Program Title</b>	<b>Various (See Condition)</b>
<b>Compliance Requirement</b>	Procurement and Suspension and Debarment
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-067
<b>Finding</b>	Significant deficiencies regarding the verification of vendors had not been corrected.
<b>Criteria</b>	<p>44 CFR 13.35, <i>Subawards to debarred and suspended parties</i></p> <p>2 CFR 180.320, provides that non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.</p>
<b>Condition</b>	<p>FDCA management indicated in its Summary Schedule of Prior Audit Findings that procedures were in place to ensure that all vendors were checked against the <i>Excluded Parties List System (EPLS)</i> as of June 30, 2008, and certifications were obtained from the vendors for contractual services contracts; however, the procedures had not been added to FDCA's Policies and Procedures. Applicable procurements for the 2007-08 fiscal year totaled approximately \$51.3 million for the Homeland Security Cluster (CFDA Nos. 97.004 and 97.067), Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036), and the Hazard Mitigation Grant (CFDA No. 97.039).</p> <p>Our review of four Federal procurement transactions totaling \$18.7 million disclosed one transaction totaling \$2,647,239.20 for which there was no documented verification against EPLS or certification obtained from the vendor. Although our review on October 2, 2008, disclosed that this vendor was not on EPLS, the potential for not detecting excluded vendors continued to exist during the 2007-08 fiscal year.</p> <p>Additionally, we noted that while FDCA's procedures related to procurements handled through MyFloridaMarketPlace (MFMP) required the vendor name to be checked against EPLS, the procedures did not require FDCA staff to check EPLS for the principals' names. Approximately \$17.4 million of the \$51.3 million in 2007-08 fiscal year transactions related to MFMP procurements.</p>
<b>Cause</b>	FDCA management indicated that staff turnover and existing vacancies had contributed to continued problems in implementing procedures.
<b>Effect</b>	Contracts for goods or services may be procured from vendors that have been debarred or suspended, resulting in charges subject to disallowance.
<b>Recommendation</b>	We recommend that FDCA develop and implement written policies and procedures regarding the verification of vendors and the related principals.
<b>State Agency Response and Corrective Action Plan</b>	<p>The Department's procedure has been enhanced to check the following sites when a requisition is sent for approval:</p> <ol style="list-style-type: none"> <li>1. Excluded Parties at: <a href="https://www.epls.gov/">https://www.epls.gov/</a> (The required list to check the principal names of vendors)</li> <li>2. Florida Dept. of State, Division of Corporations at: <a href="http://ccfcorp.dos.state.fl.us/scripts/corofflis.exe?action=OFFFWD&amp;action_dir=F&amp;princ_comp_name=&amp;">http://ccfcorp.dos.state.fl.us/scripts/corofflis.exe?action=OFFFWD&amp;action_dir=F&amp;princ_comp_name=&amp;</a> (This site allows us to search a vendor no matter their name, FEID number, fictitious name, judgment lien, certification of partnership, profit,</li> </ol>

nonprofit, etc.

3. Convicted-Suspended List at:

[http://dms.myflorida.com/business\\_operations/state\\_purchasing/vendor\\_information/convicted\\_suspended\\_discriminatory\\_complaints\\_vendor\\_lists](http://dms.myflorida.com/business_operations/state_purchasing/vendor_information/convicted_suspended_discriminatory_complaints_vendor_lists) (This site is managed by DMS and it allows us to see past or current convicted or suspended vendors.)

Also, the following statement is now added to all requisitions: "This vendor has been verified against the Federal Excluded Parties List System and does not appear to be disbarred or excluded from receiving Federal contracts".

The Purchasing Analyst will also be checking the bid and single source requests processed through the purchasing office. The state contracts and MBE vendors will be checked periodically. However, the vendors on state contract are managed by DMS; DMS should notify all the purchasing offices about any changes to a vendor or a vendor's inclusion on the convicted or suspended list. The minority vendors are managed by Office of Supplier Diversity (OSD) through a certification and recertification process. OSD or DMS would expectedly advise the purchasing office if one of these vendors were not in compliance with the necessary qualifications. Written procedures will be developed and training will be provided to staff for this process.

**Estimated Corrective  
Action Date**

April 1, 2009

**Agency Contact and  
Telephone Number**

Tammie Kuhn  
(850) 922-1622

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-067</b>
<b>CFDA Number</b>	93.568, 97.004 and 97.067, 97.036, 97.039
<b>Program Title</b>	<b>Low-Income Home Energy Assistance Program (LIHEAP)</b> <b>Homeland Security Cluster (HSC)</b> <b>Disaster Grants – Public Assistance (Presidentially Declared Disasters)</b> <b>Hazard Mitigation Grant</b>
<b>Compliance Requirement</b>	Reporting
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various (See Condition)
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-052
<b>Finding</b>	FDCA did not have sufficient procedures in place to ensure that financial reports were accurate and complete.
<b>Criteria</b>	44 CFR 13.20(b)(1), <i>Financial reporting</i> ; 45 CFR 96.30(a), <i>Fiscal control and accounting procedures</i>
<b>Condition</b>	<p>Financial status reports for the Federal programs administered by FDCA and the Florida Division of Emergency Management (FDEM) were centrally prepared within FDCA's Office of Finance and Accounting. During the 2007-08 fiscal year, FDCA was required to prepare and submit approximately 224 financial reports for the LIHEAP, HSC, Disaster Grants, and Hazard Mitigation Grant Programs. Our review of FDCA's procedures for preparing and reviewing the required Federal financial reports disclosed that FDCA did not have written policies and procedures regarding the preparation of the financial reports from FDCA's accounting records. Additionally, FDCA did not have procedures in place to ensure that an appropriate level of review was conducted and documented prior to submission of required reports. FDCA management indicated that amounts on the financial reports were traced to the supporting worksheets; however, the only documentation of the review was the manager's signature on the financial report. Additionally, FDCA had no intermediate review to verify that amounts on the supporting worksheets agreed with applicable FDCA accounting records.</p> <p>Our review of Federal financial reports submitted during the period July 1, 2007, through June 30, 2008, disclosed errors in amounts reported as described below.</p> <ul style="list-style-type: none"> <li>• The LIHEAP Financial Status Report submitted for the period October 2006 through September 2007, for Grant No. 2007G992201/G992212 G-07B1FLLIEA, reported \$13,865,542.67 as the Federal share of unliquidated obligations. However, the unliquidated obligations included \$524,836 in administrative costs that were not documented as obligated. This condition was similarly disclosed in audit report No. 2008-141, finding No. FA 07-052.</li> <li>• The Disaster Grants Financial Status Report submitted for the period October 2006 through June 2007, for Grant No. FEMA-1609-DR-FL, reported Federal funds authorized totaling \$1,508,239,028.24, while actual Federal funds authorized totaled \$1,527,753,684.71, a difference of \$19,514,656.47. Subsequent to FDCA's submission of the report, FEMA personnel detected the error and required a revised report to be submitted. According to FDCA management, the correct amount was available on the supporting record; therefore, the error should have been detected during management's review of the report.</li> <li>• The HSC Financial Status Reports for Grant No. 2006GET60023 for the period October 2007 through December 2007 and for Grant No. 2004GET40010 for the period January 2008 through March 2008, were identified as being prepared on the accrual basis of accounting; however, FDCA prepared the</li> </ul>

	reports on the cash basis.
<b>Cause</b>	FDCA management indicated that records used to derive amounts reported on the supporting worksheets were only reviewed in special circumstances, such as close-outs and revisions. Contrary to financial status report instructions, FDCA management indicated that it was FDCA practice for LIHEAP reporting to report the remaining unobligated grant balance as obligated on the financial status report until the final report was submitted.
<b>Effect</b>	The failure to provide reports that are complete, accurate, and properly supported may limit the ability of the USDHHS and USDHS to properly administer these Federal programs.
<b>Recommendation</b>	We recommend that FDCA establish written policies and procedures for the preparation of financial reports. Additionally, FDCA should enhance procedures for the review of required Federal reports by requiring proper levels of review be conducted and documented.
<b>State Agency Response and Corrective Action Plan</b>	The FDCA will utilize the Federal guidelines to develop written internal procedures regarding the preparation and review of financial reports for all Federal programs. The Grants Director will review the reports and associated documentation, and document that review before submission to the Federal agency.
<b>Estimated Corrective Action Date</b>	June 30, 2009
<b>Agency Contact and Telephone Number</b>	Karen Peyton (850) 922-1646

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-068</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2004-GE-T4-0010, 2005-GE-T5-0035, 2006-GE-T6-0023
<b>Finding Type</b>	Opinion Qualification, Material Noncompliance, Material Weakness, Significant Deficiency Questioned Costs – \$2,957,627.57 (2004-GE-T4-0010 - \$289,982.52; 2005-GE-T5-0035 - \$2,423,926.82; 2006-GE-T6-0023 - \$243,718.23)
<b>Finding</b>	Our review disclosed instances in which FDEM did not maintain adequate documentation to support the appropriateness of payments to subgrantees or adhere to its established procedures, and where FDEM reimbursed subgrantees for expenditures incurred after the end of the contract period. We also noted that requests for reimbursement were submitted by the subgrantees and paid by FDEM more than 30 days from the end of the contract period without adequate explanation, and that closeout reports did not always include all reimbursements.
<b>Criteria</b>	OMB Circular A-87, Attachment A, Section C.1.j., <i>Costs must be adequately documented</i> ; 28 CFR 66.23, <i>Period of Availability of Funds</i> ; 28 CFR 66.40, <i>Monitoring and Reporting Program Performance</i> ; USDHS OGT OGO Financial Management Guide, <i>Period of Availability of Funds, Monitoring Project Performance</i>  Pursuant to the instructions included on FDEM's close-out report, the report should be completed and submitted to FDEM no later than 60 days after the termination date of the agreement. According to FDEM guidance, final close-out reports should not be submitted until final payment has been made and all final expenditures have occurred. FDEM's final close-out report requires the subgrantee to summarize expenses incurred during the project and specifically acknowledge any cost overages or underages.  FDEM's subgrantee agreement extensions provide that, generally, payments may or may not be made by FDEM after 30 days of the end of the contract period at the discretion of FDEM.
<b>Condition</b>	During the 2007-08 fiscal year, FDEM made payments totaling \$21,542,081.50 to 98 subgrantees, primarily local governments. FDEM required subgrantees to submit a Reimbursement Request Form and a supporting Detail of Claims worksheet when requesting reimbursement. Additionally, effective April 2008, FDEM required subgrantees to submit underlying documentation, such as copies of invoices and cancelled checks, along with the Detail of Claims. FDEM had established procedures requiring the review and approval of all Requests for Reimbursement prior to payment. Our test of 20 payments to subgrantees totaling \$8,547,786.45, disclosed two payments totaling \$2,672,932.34 that were not supported by Details of Claims or documentation such as copies of invoices. Additionally, we noted FDEM made these payments 164 and 353 days after the end of the contract period. One of the two subgrantees submitted the final close-out report for the grant prior to receiving payments totaling \$289,982.52 in the 2007-08 fiscal year and \$4,935.50 in the 2008-09 fiscal year.  We also noted that FDEM had not established procedures to review reimbursement requests to ensure that subgrantee expenditures were incurred during the contract period. Additionally, procedures were not in place to ensure that payments were made within 30 days of the end of the contract period or that the basis for FDEM's decision to reimburse the subgrantee for expenditures submitted subsequent to that time was documented. Our review of 20 subgrantee

payments included payments to 12 subgrantees whose contract periods ended during or prior to the 2007-08 fiscal year. We reviewed FLAIR records for payments to these 12 subgrantees and noted 7 instances in which related payment documentation indicated that FDEM had made payments for expenditures incurred after the end of the contract period or more than 30 days after the end of the contract period, as described below.

- FDEM reimbursed one subgrantee \$40,977 in expenditures that were incurred five months after the end of the contract period related to at least one of three deliverables. Additionally, the subgrantee had submitted the final close-out report for the grant prior to receiving the reimbursement.
- For another subgrantee, the subgrantee submitted a request for reimbursement and FDEM paid \$63,352.22 141 days after the end of the contract period, of which \$19,536.46 in expenditures were incurred after the initial agreement ended January 31, 2008, and prior to the reinstatement of the agreement on August 11, 2008. These expenditures were incurred during the months of February and March 2008.
- FDEM made payments totaling \$180,366.01 to four subgrantees more than 30 days after the end of the contract period without documenting the reasons for paying subgrantees for requests for reimbursement submitted more than 30 days after the end of the contract period. These payments were made from 34 to 119 days after the end of the contract period. One of the subgrantees had submitted the final close-out report prior to receiving a payment totaling \$89,610.

In addition, while payments were not noted subsequent to the end of the contract period, we noted another two subgrantees whose close-out reports did not include reimbursements totaling \$308,388.20.

**Cause**

FDEM did not follow procedures requiring itemized Details of Claims, and did not adhere to newly established procedures requiring detailed documentation, prior to processing reimbursement requests from subgrantees. Also, FDEM did not perform an adequate review and approval of closeout reports upon receipt from subgrantees.

**Effect**

Absent adequate documentation and review thereof, there is reduced assurance that amounts paid from Federal program funds were used for allowable activities and that applicable costs were necessary, reasonable, and documented in compliance with Federal regulations and State grant requirements. Also, FDEM cannot demonstrate the appropriateness of expenditures charged to the Program.

Payments outside the period of performance are subject to disallowance by USDHS. Untimely requests for reimbursement and subsequent payments to subgrantees delay FDEM's closeout of subgrant agreements and, ultimately, Federal grants.

The usefulness of subgrantee closeout reports is diminished when the reports contain inaccurate or incomplete information. Also, FDEM had reduced assurance of subgrantee compliance with applicable Program requirements and achievement of performance goals.

**Recommendation**

We recommend that FDEM enhance its review of subgrantee Requests for Reimbursement to ensure required documentation is submitted. As part of its review, FDEM should also ensure that expenditures are incurred during the period of performance. We also recommend that FDEM establish guidelines to ensure that final subgrantee Requests for Reimbursement are submitted and paid within the timeframes established by the subgrantee contracts and that reasons for accepting and paying subsequently received Requests are documented. We further recommend that FDEM grant managers and program staff perform a review of closeout reports.

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<b>State Agency Response and Corrective Action Plan</b>	The Division has hired a writer to develop and finalize Standard Operating Procedures for all aspects of the Unit including review of requests for reimbursement, close-out reports, and status reports. On August 13, 2008 the Domestic Preparedness Unit completed a Department of Homeland Security Grants Management Technical Assistance delivery. Once the SOP is complete, we will request a second delivery of the Department of Homeland Security Grants Management Technical Assistance to ensure all new staff have the same skill sets as those that attended the initial training session.
<b>Estimated Corrective Action Date</b>	The SOP will be complete by June 30, 2009, the Technical Assistance Delivery is contingent upon DHS availability.
<b>Agency Contact and Telephone Number</b>	Tina Quick (850) 413-9974

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-069</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Cash Management
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b> <b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2005-GE-T5-0035
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$166,636.40
<b>Finding</b>	FDEM's procedures for advancing funds to subgrantees did not appear to be effective in minimizing the time elapsing between the disbursement of funds and their use by the subgrantee or ensuring that advances are offset against subsequent reimbursements. Also, FDEM had not established procedures for monitoring interest earned by subgrantees on advances. Additionally, FDCA did not properly code the advance payment in the State's accounting system, Florida Accounting Information Resource Subsystem (FLAIR).
<b>Criteria</b>	28 CFR 66.20, <i>Standards for Financial Management Systems</i> ; 28 CFR 66.21(c), <i>Advances</i> ; 28 CFR 66.21(i), <i>Interest earned on advances</i> ; 28 CFR 66.37(a)(4), <i>Subgrants</i>  USDHS OGT Financial Management Guide provides that the State should keep in mind that idle funds in the hands of subrecipients will impair the goals of sound cash management. All recipients must develop procedures for the disbursement of funds to ensure that Federal cash on hand is kept at a minimal balance.  FDEM's subgrantee agreement requires subgrantees to submit budget data and a justification for advance. Pursuant to the terms of the agreement, funds may be advanced in an amount up to three months of cash needs.
<b>Condition</b>	Our review of 20 FDEM payments to subgrantees during the 2007-08 fiscal year, identified one subgrantee advance totaling \$150,000 in August 2007. FDEM records did not indicate why it was necessary to provide funding for up to 90 days in advance of when the cash would be needed by the subgrantee. Although FDEM had identified the payment as an advance, FDCA did not code the payment as an advance in FLAIR. FDEM made additional payments to the subgrantee totaling \$220,339.29 during the remainder of the 2007-08 fiscal year and in the 2008-09 fiscal year. Our review of records supporting the payments indicated that FDEM did not offset the advance against these payments. Additionally, we noted that FDEM did not obtain appropriate supporting documentation, such as invoices, to support \$16,636.40 in costs reimbursed to the subgrantee during the 2007-08 fiscal year.  Also, we noted that FDEM had not established procedures for offsetting advances against subsequent reimbursements, monitoring interest earned by subgrantees on advances, and ensuring that any interest earned by the subgrantees is promptly remitted to FDEM as required by subgrantee contract terms. FDEM had not determined whether interest was due for the advance payment described above.
<b>Cause</b>	FDEM procedures for advancing funds do not address adherence to cash management requirements.
<b>Effect</b>	Absent adequate controls, FDEM lacks assurance that subgrantees minimize the time elapsing between the transfer of Federal funds and their disbursement by the subgrantee and timely submit interest earnings as required. Additionally, failure to consider applicable cash management requirements may result in FDEM placing

excess funds with subgrantees. Without proper recording of advances in FLAIR, FDEM and FDCA management may have a limited ability to identify advances and ensure that they are properly offset with subsequent subgrantee expenditures.

**Recommendation**

We recommend that FDEM enhance its procedures to ensure that advances are appropriate based on the scope and length of the period of performance and conform to Federal cash management requirements. We also recommend that FDEM establish procedures to ensure that advances are properly offset against subsequent reimbursements. Additionally, FDCA should ensure that advances are properly coded in FLAIR.

**Florida Department of Community Affairs**

**State Agency Response and  
Corrective Action Plan**

All advance payments received in the Fiscal Management unit that meet the state's statutory requirements and have received an approved waiver if applicable, will be classified as an advance upon entry into FLAIR. All payments received in the Fiscal Management unit that are classified as an advance payment but do not meet the designated criteria will be returned to the appropriate program office to correct the advance classification or until waiver approval documentation is provided. Written procedures will be developed and training will be provided to staff for this process.

**Estimated Corrective  
Action Date**

April 1, 2009

**Agency Contact and  
Telephone Number**

Karen Peyton  
(850) 922-1646

**Florida Division of Emergency Management**

**State Agency Response and  
Corrective Action Plan**

The Division of Emergency Management has hired a writer to further refine and finalize the Domestic Preparedness Unit's Standard Operating Procedures (SOPs) as well as a Standard Operating Guide for each position. The SOP will include a section focused on Advances as well as Cash Management to ensure the Unit and Sub-Grantees stay in compliance with State and Federal guidelines.

**Estimated Corrective  
Action Date**

June 30, 2009

**Agency Contact and  
Telephone Number**

Tina Quick  
(850) 413-9974

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-070</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Law Enforcement (FDLE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
<b>Finding Type</b>	Questioned Costs – \$245,609.86
<b>Finding</b>	Contrary to the terms of its agreement with the Florida Division of Emergency Management (FDEM), FDLE charged indirect costs to the Homeland Security Cluster (HSC) grants.
<b>Criteria</b>	FDLE's agreements with FDEM provide that FDLE may charge management and administration costs directly related to the administration of the program; however, the agreements do not provide for the charging of indirect costs. The agreements further identify unauthorized expenditures to include items not in accordance with the authorized equipment list or not listed as allowable costs. Indirect costs were not identified as allowable costs.
<b>Condition</b>	During the 2007-08 fiscal year, FDLE expenditures for HSC grants totaled \$16,347,604.47. Our review of FDLE expenditure records disclosed that FDLE charged indirect costs totaling \$245,609.86 to HSC grants. FDLE management, in response to our inquiries indicated that while indirect cost is not included within FDLE's agreements with FDEM, indirect cost is an allowable cost under Homeland Security guidelines published by USDHS.
<b>Cause</b>	FDLE relied upon Homeland Security guidelines in determining the allowability of indirect costs, rather than the terms of the agreement with FDEM.
<b>Effect</b>	Unauthorized costs are subject to disallowance by USDHS.
<b>Recommendation</b>	FDLE should consult with FDEM regarding the allowability of indirect costs charged to the grants during the 2007-08 fiscal year.
<b>State Agency Response and Corrective Action Plan</b>	The Office of Finance and Accounting is seeking clarification from FDEM regarding the questioned costs. Action will be taken to resolve the finding.
<b>Estimated Corrective Action Date</b>	March 2009
<b>Agency Contact and Telephone Number</b>	Teddy F. Payne (850) 410-7165

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-071</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster (HSC)</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Law Enforcement (FDLE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$177,385.22
<b>Finding</b>	FDLE did not have procedures in place to obtain certifications required by OMB Circular A-87 for employees working solely on the Homeland Security Cluster.
<b>Criteria</b>	OMB Circular A-87, Attachment B, Section 8.h.(3), <i>Support of Salaries and Wages</i>
<b>Condition</b>	During the 2007-08 fiscal year, FDLE expended HSC funds totaling \$16,347,604.47, including salaries and benefits totaling \$599,105.21. Our audit disclosed that FDLE did not have procedures in place to obtain payroll certifications for employees working solely on HSC activities. Our review of ten FDLE administrative expenditures included salary payments for three employees who worked solely on HSC activities. Salaries and benefits for the three employees totaled \$177,385.22. FDLE could not readily identify other employees who worked solely on HSC activities.
<b>Cause</b>	FDLE staff indicated that they were unaware that payroll certifications were required for employees working on HSC activities.
<b>Effect</b>	Absent the periodic certifications required by OMB Circular A-87, FDLE had not fully substantiated the salary costs charged to HSC.
<b>Recommendation</b>	We recommend that FDLE ensure that certifications are obtained from all employees working solely on the HSC Program.
<b>State Agency Response and Corrective Action Plan</b>	Procedures are being developed by the Office of Finance and Accounting (OFA) to obtain the certifications. Semiannually (April and October), OFA will conduct reviews and obtain the certifications for members who work solely on federal grant programs. Certifications will be retained with each federal grant award file in OFA. OFA is finalizing certifications for the period July 1, 2007, through September 30, 2008.
<b>Estimated Corrective Action Date</b>	February 2009
<b>Agency Contact and Telephone Number</b>	Teddy F. Payne (850) 410-7165

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-072</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Financial Services (FDFS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2006-GE-T6-0023
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$141,737.28
<b>Finding</b>	FDFS made payments to subgrantees for expenditures incurred prior to the execution of a contract.
<b>Criteria</b>	USDHS OGT OGO Financial Management Guide, <i>Procurement</i>
<b>Condition</b>	During the 2007-08 fiscal year, the FDFS Office of the State Fire Marshall made payments totaling \$2,816,447 to subgrantees. We tested eight payments to subgrantees totaling \$690,321.09. Our audit disclosed that for one subgrantee, FDFS reimbursed the subgrantee for expenditures totaling \$141,737.28 although the expenditures were incurred outside the contract period. These expenditures were incurred from three to ten months prior to the start of the contract period.
<b>Cause</b>	In response to our inquiry, FDFS staff indicated that subrecipients of the State Fire Marshall were allowed to pursue projects under the auspices of the FDFS contract with the Florida Division of Emergency Management even if a contract with the subrecipient had not been executed. According to FDFS staff, this procedure was discontinued.
<b>Effect</b>	Payments made prior to the contract period may be subject to disallowance by USDHS.
<b>Recommendation</b>	We recommend that FDFS reimburse expenditures only when incurred under a valid contract between the subrecipient and FDFS and during the contract period.
<b>State Agency Response and Corrective Action Plan</b>	All future contracts with Homeland Security Cluster grant subrecipients will ensure that the effective date of the agreement coincides with the effective date of the corresponding agreement between DEM and DFS. In addition, the Department's Division of Administration has revised procedures to require requests for payments to grant recipients be submitted to the Reconciliation Unit in the Bureau of Financial and Support Services, instead of to the Disbursements Unit as is the case for all other requests for payment. The Reconciliation Unit then verifies that the payment is within the contract period. After verification, it is then sent to our Disbursements Unit for processing.
<b>Estimated Corrective Action Date</b>	Completed
<b>Agency Contact and Telephone Number</b>	Mike Bannister Division of State Fire Marshal (850) 413-3611  Robert E. Clift, Inspector General (850) 413-4960

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-073</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Department of Health (FDOH)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2006-GE-T6-0023 and 2007-GE-T7-0039
<b>Finding Type</b>	Significant Deficiency Questioned Costs – \$1,100 (Federal Grant No. 2007-GE-T7-0039)
<b>Finding</b>	We noted one instance in which FDOH paid for goods prior to receipt and had not subsequently documented in the procurement records that the goods were received. Additionally, FDOH did not ensure that items were recorded in the property records at the correct cost.
<b>Criteria</b>	OMB Circular A-87, <i>Basic Guidelines</i> ; OMB Circular A-87, Attachment B, <i>Equipment and other capital expenditures</i>  Florida Department of Financial Services, Rule 69I-72.001, Florida Administrative Code, defines cost as the invoice price plus freight and installation charges less discounts.
<b>Condition</b>	FDOH expenditures for the Homeland Security Cluster totaled \$5,747,027.87 for the 2007-08 fiscal year. FDOH equipment purchases totaled \$818,929.30. Our examination of ten expenditures totaling \$1,711,585.82 disclosed one instance where FDOH paid \$1,100 for goods that had not been received at the time of payment. FDOH used the State's electronic procurement system, MyFloridaMarketPlace, to record the receipt of the goods and approve payment. Although the receiving report in MyFloridaMarketPlace documented that the goods had not been received, FDOH approved payment for the full amount. Subsequent to our audit inquiry, FDOH management provided a packing slip indicating the goods were shipped and received approximately two weeks after the vendor was paid.  Additionally, we noted that FDOH did not record the correct values in the property records for three of four property items included in the expenditures we examined. The property items were recorded in the property records with values totaling \$22,307; however, FDOH excluded freight charges totaling \$520.46 from the costs of these items.
<b>Cause</b>	FDOH records did not indicate why it paid for goods prior to receipt. According to FDOH management, program office staff was unable to update information in the procurement records to reflect the subsequent receipt of the goods. FDOH procedure was to record property based on the purchase price.
<b>Effect</b>	Absent documentation of receipt prior to payment, FDOH may make erroneous payments. Additionally, FDOH did not accurately account for property purchased with Federal funds.
<b>Recommendation</b>	We recommend that FDOH ensure that payments are made only for goods actually received. Additionally, FDOH should record property items at the appropriate cost in the property records.
<b>State Agency Response and Corrective Action Plan</b>	Documentation between the program office and the Department's Bureau of Finance & Accounting reflect the items in question were received. Additionally, prior to 10/06/2008, FDOH policies did not require the reporting of freight costs in the acquisition of costs for property records.  1. Schedule training on procedures approval and payment of good using My Florida Marketplace.

	2. Implement FDOH Asset Management Policy as updated on 10/6/08.
<b>Estimated Corrective Action Date</b>	1. Completed; 2. March 31, 2009
<b>Agency Contact and Telephone Number</b>	Victor Johnson (850) 245-4444, Ext. 4346

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-074</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster</b>
<b>Compliance Requirement</b>	Matching, Level of Effort, and Earmarking
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2004-GE-T4-0010, 2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDEM did not have procedures in place to track the allocation and expenditure of management and administrative costs of the State and local jurisdiction subgrantees.
<b>Criteria</b>	<p>Homeland Security Grant Program Guidance for FY 2004, 2005, 2006, and 2007</p> <p>USDHS guidance provides that 3 to 5 percent of total amounts allocated to the State may be used for Statewide management and administrative (M&amp;A) purposes, depending on the Federal grant year. For Statewide purposes, 3 percent is allowed for the 2004 and 2005 Federal grant years, and 5 percent is allowed for the 2006 and 2007 Federal grant years. In addition, for the 2005 Federal grant year, local jurisdiction subgrantees may retain and use up to 2.5 percent of their subaward from the State for local M&amp;A purposes (3 percent for 2006 and 2007). The State may pass through a portion of the State M&amp;A allocation to local subgrantees in order to supplement the percentage allowed on subgrants. However, no more than 3 percent (5 percent for 2006 and 2007) of the total subaward may be expended by subgrantees on M&amp;A costs.</p>
<b>Condition</b>	<p>FDEM did not have procedures in place to track the allocation and expenditure of M&amp;A funds at the State level and local subgrantee level to ensure compliance with the M&amp;A cost limitations. Although M&amp;A costs were allocated to both FDEM and other State agencies at the State level, there were no procedures to ensure that total Statewide expenditures do not exceed the amounts allowed. Also, FDEM did not track M&amp;A expenditures for local subgrantees for funds provided by FDEM and provided by other State agencies.</p> <p>We requested documentation from FDEM regarding compliance with the M&amp;A cost limitation for the 2004 and 2005 grant awards, which are scheduled to expire during the 2008-09 fiscal year. FDEM could not provide documentation of how FDEM monitored total M&amp;A expenditures by the State and local subgrantees to ensure that the maximum allowable percentages for the 2004 and 2005 Federal grant awards were not exceeded.</p> <p>In response to our inquiries, FDEM management indicated that they relied on language and the budget included in the subgrant agreements. However, our review of the budgets included in 13 agreements with local jurisdiction subgrantees and other State agencies, disclosed inconsistencies between the award agreement, budget detail, and proposed budget in 6 instances. In one case, we noted that the total allocated for M&amp;A costs in the proposed budget exceeded the allowable M&amp;A costs in the award amount due to including the State portion in the calculation of the M&amp;A costs in the local subgrantee's award. This resulted in an M&amp;A cost allocation of 3.1 percent, contrary to Federal guidelines. Additionally, we noted for one State agency the budget detail worksheet did not include \$2,834,058 of the total award amount. We also reviewed payments for five agreements and noted one agreement where the total paid for M&amp;A costs had exceeded the M&amp;A cost allocation by \$515.96, with one year and \$1.9 million remaining on the agreement.</p>

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<b>Cause</b>	FDEM management relied on the allocation process to document compliance with the requirement.
<b>Effect</b>	Without adequate procedures to monitor actual M&A expenditures, FDEM cannot ensure that amounts allocated and expended for management and administrative costs are within Federal guidelines, both for the State and local subgrantees.
<b>Recommendation</b>	We recommend that FDEM establish procedures to ensure that the allocation and expenditure of management and administrative costs for each Federal grant award at the State and local levels are in compliance with Federal requirements.
<b>State Agency Response and Corrective Action Plan</b>	The Domestic Preparedness Unit will incorporate management and administrative funds management and tracking processes into our new Standard Operating Procedures at the recommendation of the Auditor General.
<b>Estimated Corrective Action Date</b>	June 30, 2009
<b>Agency Contact and Telephone Number</b>	Tina Quick (850) 413-9974

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-075</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2005-GE-T5-0035 and 2006-GE-T6-0023
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-079
<b>Finding</b>	FDEM again did not always document that subgrantee status reports were timely obtained and reviewed. Additionally, FDEM review procedures were not adequate to identify reports that were not properly completed. FDEM did not fairly state the status of this finding in the Summary Schedule of Prior Audit Findings (SSPAF).
<b>Criteria</b>	28 CFR 66.40, <i>Monitoring and Reporting Program Performance</i> ; USDHS OGT OGO Financial Management Guide, <i>Monitoring Project Performance</i>
<b>Condition</b>	<p>During the 2007-08 fiscal year, FDEM made payments totaling \$21,542,081.50 to 98 subgrantees. FDEM staff were required to document review of subgrantee status reports through the completion of the Request for Review Routing Sheet for quarterly and semiannual reports. FDEM did not have procedures in place to document the review of close-out reports. Our review of FDEM records with regard to 28 quarterly and semiannual reports and 4 close-out reports required of 10 subgrantees disclosed:</p> <ul style="list-style-type: none"> <li>• For seven quarterly status reports, FDEM could not provide Request for Review routing sheets. Additionally, the seven reports were not dated by the subgrantee or date-stamped upon receipt by FDEM; therefore, we could not determine the time period covered by the report or whether the reports had been submitted timely.</li> <li>• For four subgrantees, documentation was not available to evidence that nine status reports were prepared at the appropriate frequency, submitted timely, or contained all required information in accordance with contract provisions.</li> <li>• The four close-out reports did not contain documentation evidencing review by FDEM. During our review of the four reports, we noted that one close-out report had been submitted without being signed or dated by the subgrantee. The purpose of the subgrantee's signature and date is to certify that the costs reported are true and accurate.</li> </ul> <p>In its SSPAF as of June 30, 2008, FDEM indicated the finding was fully corrected; however, as described above, we continued to note instances where FDEM did not obtain or review subgrantee reports. FDEM did not have in place procedures governing the review of status reports. FDEM management provided us with draft Standard Operating Guidelines dated June 6, 2008, that were not implemented during the 2007-08 fiscal year. These guidelines addressed procedures for reviewing quarterly reports, but not semiannual or close-out reports.</p>
<b>Cause</b>	FDEM management attributed the problems with reviewing reports to staff turnover. The absence of written review procedures during the audit period also contributed to the status report review issues.
<b>Effect</b>	Absent timely monitoring, FDEM had limited assurance of compliance with applicable Program requirements and achievement of performance goals.
<b>Recommendation</b>	We recommend that FDEM include in its Standard Operating Guidelines procedures for reviewing quarterly, semiannual, and close-out reports. Additionally, we recommend that FDEM document that required status and

close-out reports are timely obtained and reviewed.

**State Agency Response and  
Corrective Action Plan**

The Division has hired a writer to develop and finalize Standard Operating Procedures for all aspects of the Unit including review of Requests for Reimbursement, Close-Out Reports, and Status reports. The Standard Operating Guide for Grant Managers will include a step to document that required status and close-out reports are timely obtained and reviewed. Documentation will be reflected on the grant manager's spreadsheet as well as in the sub-grant file.

**Estimated Corrective  
Action Date**

June 30, 2009

**Agency Contact and  
Telephone Number**

Tina Quick  
(850) 413-9974

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-076</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2005-GE-T5-0035
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDEM monitoring procedures were not adequate to ensure that subgrantees were selected for on-site monitoring visits based on documented risk factors and that the identified subgrantees were monitored. Additionally, FDEM did not have procedures in place to ensure that the results contained in FDEM monitoring reports were supported by the monitoring instruments.
<b>Criteria</b>	OMB Circular A-133, §____.400(d), <i>Pass-through entity responsibilities</i> include monitoring activities of subrecipients and OMB Circular A-133 Compliance Supplement requires monitoring during-the-award activities.  28 CFR 66.40, <i>Monitoring and Reporting Program Performance</i> ; USDHS OGT OGO Financial Management Guide, <i>Monitoring Project Performance</i>
<b>Condition</b>	During the 2007-08 fiscal year, FDEM expended HSC funds totaling \$55,821,242.57 of which FDEM provided \$21,542,081.50 to subgrantees and \$31,780,659.70 to State agencies. FDEM staff monitors its subgrantees through reviews of required reports and through on-site monitoring. FDEM did not have a documented risk assessment or selection methodology for determining the subgrantees to be monitored. FDEM provided a monitoring schedule; however, it covered the period May 2007 through December 2007 and no subsequent schedules were provided. Also, our review of the schedule showed that FDEM scheduled on-site visits for both open and closed contracts. During the 2007-08 fiscal year, FDEM staff monitored only 2 of 98 local subrecipients. Absent an overall monitoring plan, it was not apparent whether monitoring was conducted on a reasonable time frame and gave appropriate attention to during-the-award activities.  FDEM had not established written procedures for the review of financial and programmatic monitoring checklists, supporting documentation, and completed monitoring reports that would ensure completeness, consistency, or documentation of supervisory review. Supervisory review allows FDEM an opportunity to detect errors in the monitoring report. For example, our examination of one of the two completed site visits disclosed inconsistencies between the monitoring tool used during the visit and the completed report. Specifically, FDEM staff noted during the monitoring visit that the subgrantee did not maintain course rosters and conducted training that was not approved; however, these matters were not included in the report. Also, FDEM staff included a recommendation in the report for an area where related issues were not noted on the monitoring instrument.
<b>Cause</b>	According to FDEM management, emphasis was placed on monitoring other State agencies rather than local agencies. Additionally, FDEM management attributed the site visit deficiencies to the visit being one of the first FDEM conducted.
<b>Effect</b>	Absent comprehensive monitoring procedures, FDEM management's ability to detect inefficient and ineffective uses of HSC funds and noncompliance with laws, regulations, and provisions of contracts is limited.

<b>Recommendation</b>	We recommend that FDEM ensure that the selection of subgrantees is based on a documented risk assessment and that monitoring visits are conducted as scheduled and include during-the-award activities. We also recommend that FDEM establish procedures to provide for a supervisory review of checklists and supporting documentation to ensure that monitoring reports contain all significant findings noted during the on-site visit.
<b>State Agency Response and Corrective Action Plan</b>	The Domestic Preparedness Unit currently has a Monitoring Procedure which includes frequency criteria. At the recommendation of the Auditor General, the Unit will take into consideration further bolstering of the procedure and incorporating it into the Standard Operating Procedure.
<b>Estimated Corrective Action Date</b>	June 30, 2009
<b>Agency Contact and Telephone Number</b>	Tina Quick (850) 413-9974

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-077</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster (HSC)</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Law Enforcement (FDLE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2004-GE-T4-0010, 2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Finding</b>	FDLE did not receive audit reports from subrecipients within the time frame established through single audit requirements or document its efforts to obtain the audit reports. Additionally, FDLE did not have adequate procedures in place to ensure that subgrantee audit reports were timely reviewed and deficiencies were properly identified for corrective actions.
<b>Criteria</b>	OMB Circular A-133, §____.400(d), <i>Pass-through entity responsibilities</i>
<b>Condition</b>	<p>FDLE provided HSC subgrants to 212 subrecipients during the 2007-08 fiscal year. According to FDLE records, 53 subrecipients expended at least \$500,000 and were required to submit audit reports for the fiscal year ended September 30, 2006, by June 30, 2007. Our review of FDLE's records regarding these reports disclosed that 52 of the 53 (98.11 percent) reports were not received timely. These reports were received from 40 to 530 days after the date of the auditor's report. Pursuant to Federal regulations, audit reports are due from the subrecipients within 30 days of receipt of the auditor's reports or nine months after the end of the audit period, whichever is earlier. While 7 of the 53 reports were not prepared until after the June 30, 2007, due date, the remaining 46 reports had been timely prepared. According to FDLE management, letters were sent to subrecipients when reports were not received timely; however, copies of those letters were not retained, nor were the dates the letters were sent recorded in FDLE's tracking system (SIMON).</p> <p>We also noted that FDLE did not review 40 of the 53 audit reports within 180 days of receipt as required by Federal regulations. According to FDLE records, FDLE initiated its review of the reports from 1 to 603 days subsequent to receipt and finalized its reviews from 17 to 612 days subsequent to receipt. For these 40 reports, the completion of the review process averaged 363 days after receipt.</p> <p>We reviewed FDLE records substantiating its review of three subrecipient audit reports. We noted that, for two audit reports, FDLE did not identify and follow up on findings that could affect the administration of HSC subgrants. According to FDLE management, FDLE staff thought that the Summary of Auditors Results contained within the audit report was inclusive of all findings and, therefore, did not review the remainder of the report or the management letter for additional findings.</p>
<b>Cause</b>	FDLE procedures were not adequate to ensure that subrecipient audit reports were obtained and reviewed timely. Additionally, FDLE staff reviewed only the Summary of Auditors Results for potential audit findings.
<b>Effect</b>	Absent timely receipt and review of subrecipient audit reports, FDLE management lacks assurance that subgranted funds were used in compliance with controlling laws, rules, and regulations and that any deficiencies identified in subgrantee audit reports were properly resolved.
<b>Recommendation</b>	We recommend that FDLE improve its procedures to ensure that audit reports are timely obtained from subrecipients, reviewed, and findings followed up in regard to necessary corrective actions. FDLE should fully document its efforts to obtain subrecipient audit reports that are not timely received.

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<b>State Agency Response and Corrective Action Plan</b>	FDLE has reviewed the procedures regarding audit reports and has amended them to require that Management Letters and Summary of Audit Findings be reviewed within 180 days of receipt. Copies of deficiency letters, e-mails and notes documenting telephone conversations with subrecipients are being maintained in the audit file. In addition, summaries of action taken on individual subgrants are being noted in the comments section of Subgrantee Audit module in the Subgrant Information Management ON-line (SIMON) System. Monthly reviews/meetings will determine the status of receipt of audit reports, reviews of audit reports, and follow-up on findings.
<b>Estimated Corrective Action Date</b>	December 10, 2008
<b>Agency Contact and Telephone Number</b>	Clayton Wilder (850) 617-1250

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-078</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster (HSC)</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Law Enforcement (FDLE)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2004-GE-T4-0010, 2005-GE-T5-0035, 2006-GE-T6-0023, 2007-GE-T7-0039
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDLE procedures for selecting subrecipients for on-site monitoring were not documented. Additionally, FDLE did not adhere to its monitoring schedule or ensure that during-the-award activities were monitored. Additionally, monitoring reports were not always complete.
<b>Criteria</b>	OMB Circular A-133, §___,400(d), <i>Pass-through entity responsibilities</i> include monitoring the activities of subrecipients and OMB Circular A-133 Compliance Supplement requires monitoring during-the-award activities.
<b>Condition</b>	<p>During the 2007-08 fiscal year, FDLE expended HSC funds totaling \$16,347,604.47 of which FDLE provided \$11,540,475.23 to 212 subgrantees. FDLE staff monitors its subgrantees through reviews of required reports and subrecipient audits and through on-site monitoring. We reviewed FDLE's procedures for on-site monitoring and noted the following:</p> <ul style="list-style-type: none"> <li>• FDLE did not have a documented risk assessment or other systematic selection methodology for determining the subgrantees to be monitored. According to FDLE staff, at the beginning of the fiscal year, staff decided which subgrantees to monitor based on the contract amount and area of the State. During the 2007-08 fiscal year, FDLE completed monitoring visits for 26 of the 41 subgrantees scheduled for monitoring. Of the 26 subgrantees monitored, 15 were monitored for activities related to closed grants rather than activities during the award. Absent an overall monitoring plan, it was not apparent whether monitoring was conducted on a reasonable timeframe and gave appropriate attention to during-the-award activities.</li> <li>• Our review of five completed monitoring reports disclosed that for three of the reports, elements of the report were inconsistent with the supporting documentation. One report noted that all expenditure reports had been submitted, although on the date of the monitoring visit, one expenditure report had not been submitted and was 178 days delinquent. In two cases, sole sourced acquisitions were not noted on the monitoring instrument, although other documentation at FDLE indicated that the subgrantees had sole sourced acquisitions. FDLE's monitoring instrument included a specific element for sole sourced acquisitions, which required prior approval by FDLE.</li> </ul>
<b>Cause</b>	FDLE did not have comprehensive monitoring procedures in place during the 2007-08 fiscal year.
<b>Effect</b>	Absent comprehensive monitoring procedures, FDLE management's ability to detect inefficient and ineffective uses of HSC funds and noncompliance with laws, regulations, and provisions of contracts is limited.
<b>Recommendation</b>	We recommend that FDLE base the scheduling of subgrantee monitoring on a documented risk assessment. We also recommend that FDLE ensure that monitoring visits are conducted as scheduled and include during-the-award activities, and that greater care is taken during the monitoring reviews to identify deficiencies and areas of special interest.

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<b>State Agency Response and Corrective Action Plan</b>	FDLE will monitor our subgrantees by using desk audits and on-site monitoring visits. The scheduling of these will be based on factors, such as previous reviews, award amounts, geographical areas, and special areas of interest. Monthly reviews/meetings will be held to determine the status of desk and on-site monitoring.
<b>Estimated Corrective Action Date</b>	February 2009
<b>Agency Contact and Telephone Number</b>	Clayton Wilder (850) 617-1250

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-079</b>
<b>CFDA Number</b>	97.004, 97.067
<b>Program Title</b>	<b>Homeland Security Cluster</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Financial Services (FDFS)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	2006-GE-T6-0023
<b>Finding Type</b>	Significant Deficiency
<b>Finding</b>	FDFS did not have written procedures for monitoring subgrantees and reviewing subgrantee audit reports. Additionally, during the 2007-08 fiscal year, FDFS did not perform on-site subgrantee monitoring.
<b>Criteria</b>	USDHS OGT OGO Financial Management Guide, <i>Monitoring Project Performance</i> ; OMB Circular A-133, §____.400(d), <i>Pass-through entity responsibilities</i>
<b>Condition</b>	<p>During the 2007-08 fiscal year, FDFS expended HSC funds totaling \$3,608,203. Expenditures for subgrants during the 2007-08 fiscal year totaled \$2,816,447 (78 percent of total expenditures). Our review disclosed that FDFS had not established written procedures for conducting site visits, reviewing subgrantee quarterly and close-out reports required by its subgrantee agreements, or reviewing subgrantee audit reports.</p> <p>Additionally, we noted that FDFS did not perform on-site monitoring of subgrantees during the 2007-08 fiscal year. In June 2008, FDFS contracted with a vendor to perform site visits and provide monitoring evaluations of subgrantees. However, these evaluations were not completed until September 2008.</p>
<b>Cause</b>	In response to our inquiries regarding written procedures, FDFS management stated that they were in the process of establishing and updating procedures, which include ensuring that subgrantees obtain audits in a timely manner.
<b>Effect</b>	FDFS had limited assurance of subgrantee compliance with applicable Program requirements and achievement of performance goals.
<b>Recommendation</b>	We recommend that FDFS ensure that monitoring is performed for subgrantees to ensure that Federal funds are being used as intended. We also recommend that FDFS establish written procedures regarding the review of subgrantee quarterly and closeout reports required by subgrantee agreement, as well as, subgrantee audit reports.
<b>State Agency Response and Corrective Action Plan</b>	FDFS is improving and documenting its procedures to improve the efficiency and accountability of its processes. A new State Homeland Security Coordinator has been hired with extensive experience in managing Federal grants. The various modes of monitoring will continue to expand. In addition, FDFS is in the process of establishing and updating procedures to assure that subrecipients provide required audits and reports in a timely manner.
<b>Estimated Corrective Action Date</b>	June 2009
<b>Agency Contact and Telephone Number</b>	<p>Loren Mock, Domestic Security Coordinator Division of State Fire Marshal (352) 732-1433</p> <p>Robert E. Clift, Inspector General (850) 413-4960</p>

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-080</b>
<b>CFDA Number</b>	97.036
<b>Program Title</b>	<b>Disaster Grants – Public Assistance (Presidentially Declared Disasters)</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Matching, Level of Effort, and Earmarking, Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b> <b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Disclaimer of Opinion, Material Weakness, and Significant Deficiency
<b>Finding</b>	FDEM could not provide reliable documentation to evidence adherence to the matching and subrecipient monitoring compliance requirements. Additionally, FDEM documentation to support compliance with the activities allowed or unallowed and allowable costs/cost principles compliance requirements was of limited reliability.
<b>Criteria</b>	44 CFR 13.22, <i>Allowable Costs</i> ; 44 CFR 13.24, <i>Matching or Cost Sharing</i> ; 44 CFR 206.228, <i>Allowable Costs</i>  OMB Circular A-133 §____.400 (d) <i>Pass-through entity responsibilities</i>
<b>Condition</b>	FDEM used the Florida Public Assistance (FloridaPA) System to process and approve payments for the Disaster Grants program. Additionally, the System allocates the payments to the Federal and State share according to the percentages entered by FDEM staff into the FloridaPA System. The FloridaPA System also contains all information on FDEM's monitoring efforts for its subrecipients. In Information Technology audit report No. 2009-086, dated January 2009, we disclosed deficiencies regarding FloridaPA System general and application controls that we consider material weaknesses. Because of the deficiencies, the reliability of the information contained within the FloridaPA system is highly compromised. Without using information from FloridaPA, FDEM cannot demonstrate compliance with matching or subrecipient monitoring requirements.  The weaknesses in FloridaPA System controls precluded our reliance thereon for purposes of our audit, and it was not possible in the circumstances for us to utilize alternative procedures. Consequently, our audit did not include tests of compliance with matching requirements and subrecipient monitoring.
<b>Recommendation</b>	We recommend that FDEM and FDCA implement corrective actions to address the general and application control weaknesses noted in audit report No. 2009-086. Additionally, FDEM should explore alternative methods for demonstrating compliance with Federal requirements until management can assure itself of the integrity of FloridaPA.  <b><u>Florida Department of Community Affairs</u></b>
<b>State Agency Response and Corrective Action Plan</b>	FDCA has appointed an Information Security Manager whose responsibilities will include documenting Information Technology security best practices. In addition, this position will develop an employee training and security awareness program for all FDCA employees. The Department will advise FDEM regarding security best practices and will continue to provide technical assistance as requested.
<b>Estimated Corrective Action Date</b>	December 1, 2008 for designated manager with training and awareness program completed by June 30, 2009
<b>Agency Contact and Telephone Number</b>	Steve Grantham (850) 922-1475

**Florida Division of Emergency Management****State Agency Response and  
Corrective Action Plan**

Please refer to the DEM State Response to the Audit, Information Technology, Florida Public Assistance System in Report No. 2009-086. The referenced response is relative to the new version of the Floridapa.org system and addresses the system integrity issues and recommendations to fully comply with Federal requirements.

**Estimated Corrective  
Action Date**

April 2009

**Agency Contact and  
Telephone Number**

Charles Shinkle  
(407) 268-8752

Bob Seibert  
(407) 268-8609

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-081</b>
<b>CFDA Number</b>	97.036
<b>Program Title</b>	<b>Disaster Grants – Public Assistance (PA) (Presidentially Declared Disasters)</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	FEMA-1539-DR-FL, FEMA-1545-DR-FL, FEMA-1551-DR-FL, FEMA-1561-DR-FL, FEMA-1602-DR-FL, FEMA-1609-DR-FL, FEMA-1679-DR-FL
<b>Finding Type</b>	Disclaimer of Opinion, Material Weakness and Significant Deficiency Questioned Costs – \$10,678,099.73 (FEMA-1539-DR-FL \$1,528,726.62; FEMA-1545-DR-FL \$5,386,537.42; FEMA-1551-DR-FL \$96,381.90; FEMA-1561-DR-FL \$1,520,055.97; FEMA-1602-DR-FL \$328,118.09; FEMA-1609-DR-FL \$1,479,602.84; FEMA-1679-DR-FL \$64,019.93; State Share \$274,656.96)
<b>Finding</b>	In a significant number of instances, FDEM made payments without adequate documentation to demonstrate that costs were allowable and reasonable and incurred during the authorized project period.
<b>Criteria</b>	<p>44 CFR 13.22 &amp; 206.205, 226, 228, <i>Allowable Costs</i>; OMB Circular A-87, Attachment A, Section C, Basic Guidelines – <i>Cost Principles</i></p> <p>The 2007 FEMA Public Assistance Guide establishes deadlines for work according to the type of work. The deadlines are measured from the declaration date of the major disaster or emergency. FDEM has limited authority to grant extensions of the completion deadlines. Emergency work and debris clearance have 6 month deadlines and can be extended by FDEM for an additional six months. Permanent work has an 18 month deadline and can be extended by FDEM an additional 30 months. Requests for time extensions beyond the limit of FDEM's authority must be submitted to FEMA for approval.</p> <p>Generally, Disaster Grant funds are authorized for specific projects during specific time frames. Project costs are estimated and authorized on a Project Worksheet (PW). FDEM allowed subgrantees to submit Requests for Reimbursement (RFR) supported by Summary of Documentation forms (SOD) that contained information such as vendor names, invoice numbers, brief descriptions of the work performed, dates of delivery, etc., without requiring the inclusion of copies of invoices or purchase orders. Once projects are completed, FDEM performs a final inspection and closeout and any unspent project funds are to be deobligated and made available to FEMA for reallocation to other disasters.</p>
<b>Condition</b>	<p>During the 2007-08 fiscal year, FDEM made payments totaling \$517,064,724.89 to subgrantees and State agencies under the Disaster Grants Program. Our test of 62 payments totaling \$28,415,297.80 to subgrantees and State agencies included 29 payments totaling \$10,161,942.16 for which the SOD did not provide adequate detailed information to demonstrate that costs were allowable and incurred during the authorized project period. Although requested, FDEM did not provide approved time extensions for costs incurred after the project completion deadline. Following is a description of information provided on the SODs for these payments:</p> <ul style="list-style-type: none"> <li>SODs for 15 payments included items totaling \$6,314,189.85 for which the vendor name, invoice, or check numbers were identified, but a description of the work performed was not included. Two of the 15 payments included costs of \$349,870.81 incurred from 47 to 288 days after the project completion deadline. Additionally, two payments made to the Florida Department of Agriculture and Consumer Services may involve a duplicate payment as the SOD for each \$26,953.68 payment included the same voucher number and vendor name.</li> </ul>

- Eight payments included items totaling \$1,464,058.36 that were supported by SODs with general descriptions of work performed repeated for several line items. For example, one SOD listed two cost line items totaling \$853,050 for which the description was lodge construction. This project was a \$3.7 million replacement of a building used as a farmer's market. Four of the eight payments included costs of \$341,140.56 incurred from 93 days to approximately 2 years after the project completion deadline. One of the four payments included additional costs of \$28,875 that, although supported by adequate records, were incurred after the project completion deadline.
- One payment totaling \$1,349,231.94 was supported by an SOD listing the locations where the work was performed, but no description of work performed was provided. These costs were incurred over 19 months after the project completion deadline.
- One payment totaling \$712,352.78 for a window project referred to an attachment FDEM was unable to provide in response to our audit inquiry.
- Three payments included items totaling \$176,898.23 that were described on the SOD as force account labor. While some listed date ranges, the SODs did not include a work description.
- One payment included \$116,336 that was described on the SOD as a payment to offset the deobligation of remaining project funds. The SOD provided no indication this amount was needed to pay project costs. Deobligated funds are no longer available to pay for project costs.

Although FDEM had adequate SOD information for 33 of the payments we examined, we noted that eight of these payments totaling \$516,157.57 did not appear to be for allowable costs based on documentation provided. Specifically,

- One payment totaling \$113,133.78 was paid after FDEM had completed the final inspection and closeout. The SOD indicated that the reimbursement was to offset the closeout version and draw down the rest of the remaining funds. FDEM had no additional documentation to support the allowability of the payment. Additionally, \$18,085.01 of this payment was for costs incurred 54 days after the project completion deadline.
- One payment included \$204,000.01 for a hazard mitigation proposal that was not allowable under the Stafford Act because the seawall being constructed was not part of the original site.
- One payment included \$55,478.90 that was described as advanced funding. However, the referenced project had been deobligated two years prior to the request for payment.
- One payment totaling \$30,300 was for a PW related to reconstruction of a damaged parking lot. The PW indicated that the project would be considered ineligible without a geotechnical report supporting that the damage was a result of Hurricane Wilma. FDEM records did not indicate that the geotechnical report had been received.
- One payment included \$10,635 for book shelves with an estimated cost totaling \$2,635. No explanation for the \$8,000 difference between the estimated and actual cost was available nor was there a modification of the PW.
- One payment included \$6,121.48 for an alarm system not listed in the scope of work in the PW.
- One payment included costs totaling \$1,961.41 for labor charges attributable to Hurricanes Dennis, Katrina, and Rita although the approved project was for damage incurred during Hurricane Wilma.

- One payment included \$5,603.40 of emergency costs included on an SOD for a PW for permanent work. This payment also included \$91,558.59 for costs incurred 137 days after the project completion deadline.

<b>Cause</b>	FDEM did not have written procedures for payment processing. Additionally, FDEM management indicated that reliance is placed on the closeout process to determine whether costs are allowable, rather than a detailed review of documentation submitted with requests for reimbursement. While final inspections may identify unallowable costs, the review of documentation prior to payment can help detect unallowable costs and prevent payment of such costs.
<b>Effect</b>	Absent adequate documentation, FDEM cannot demonstrate the appropriateness of the expenditures and advances charged to the Program. Additionally, payments made subsequent to project completion dates or for unauthorized purposes are subject to disallowance by the Federal grantor agency.
<b>Recommendation</b>	We recommend that FDEM establish written procedures for payment processing and make payments only for documented and allowable costs incurred during the authorized project period.
<b>State Agency Response and Corrective Action Plan</b>	FDEM will develop written procedures to follow the audit recommendation and adhere to 44CFR in all respects including insuring that payments are processed within the project period.
<b>Estimated Corrective Action Date</b>	April 2009
<b>Agency Contact and Telephone Number</b>	Charles Shinkle (407) 268-8752  Bob Seibert (407) 268-8609

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-082</b>
<b>CFDA Number</b>	97.036
<b>Program Title</b>	<b>Disaster Grants – Public Assistance (Presidentially Declared Disasters)</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Cash Management
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b> <b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	FEMA-1609-DR-FL and FEMA-1545-DR-FL
<b>Finding Type</b>	Noncompliance Questioned Costs – \$169,650.97 (FEMA-1609-DR-FL - \$159,649.96; FEMA-1545-DR-FL - \$9,535.27)
<b>Finding</b>	FDCA drew down Disaster Grants funds authorized for use in particular projects to cover the costs of other projects for which funding was not available.
<b>Criteria</b>	44 CFR 13.20(7), <i>Cash Management</i> ; 44 CFR 206.202, <i>Application procedures</i> ; 44 CFR 206.40, <i>Designation of affected areas and eligible assistance</i> ; and 44 CFR 206.44, <i>FEMA-State Agreements</i>  OMB Circular A-87, Attachment A, <i>General Principles for Determining Allowable Costs</i> , Section C, <i>Basic Guidelines</i> .
<b>Condition</b>	FDCA had one letter of credit against which it drew both Disaster Grants and Hazard Mitigation Grant funds. Under the letter of credit, USDHS established separate subaccounts by disaster for each program. During the 2007-08 fiscal year, FDCA drew down funds totaling approximately \$554 million as funds designated for the Disaster Grants Program.  Our review of ten draws disclosed two instances in which Federal funds were drawn from an incorrect Federal grant subaccount. In these instances, FDCA staff drew funds from one subaccount to cover deficits in other subaccounts. In total, the deficits ranged from \$166,076.65 in September 2007 to \$169,650.97 in June 2008. Specifically: <ul style="list-style-type: none"> <li>• In one of the two instances, FDCA drew funds totaling \$26,688.38 in July 2007 from the Hurricane Wilma Disaster Grants subaccount for underlying expenditures related to Hazard Mitigation Grant (CFDA No. 97.039) - Hurricane Georges. Other similar draws had been made and at June 16, 2008, the draws totaled \$159,649.96. According to FDCA records, FDCA began drawing funds from the Hurricane Wilma subaccount to cover Hazard Mitigation Grant expenditures in January 2007. USDHS released additional Hazard Mitigation Grant funds in April 2008 and FDCA reimbursed the Disaster Grants Program on June 26, 2008.</li> <li>• In one of the two instances, FDCA drew funds totaling \$9,535.27 in September 2007 from the 2000 South Florida Floods subaccount to cover a wildfire grant subaccount deficit that FDEM had not resolved with FEMA. Additional draws were made and at June 16, 2008, the draws totaled \$10,001.01. As of September 3, 2008, these funds had not been restored to the 2000 South Florida Floods subaccount.</li> </ul>
<b>Cause</b>	Cash draw records indicated that the requirements for the Hazard Mitigation Grant had not been met for the release of additional funds and the Program office was working with the Federal government to resolve the matter. FDCA cash draw worksheets indicated that FDEM program staff had identified the subaccounts that were to be used to cover the deficits.

<b>Effect</b>	Expenditures made prior to Federal approval or drawdowns made from inappropriate subaccounts may be subject to disallowance by Federal officials.
<b>Recommendation</b>	We recommend that FDCA draw funds only from the appropriate grant subaccount. Additionally, we recommend that FDEM ensure that Federal funds are authorized and available prior to charging expenditures to Federal grants. Additionally, we recommend that FDCA promptly restore to the 2000 South Florida Floods subaccount the funds used to cover wildfire grant overruns.
<b>State Agency Response and Corrective Action Plan</b>	The FDCA will no longer allow FDEM to cover cash shortages from other Federal grants. The FDEM has agreed to not incur costs before the approved amount has been placed on the letter of credit. The FDEM is in the process of submitting a request to FEMA to increase the grant amount for the Wildfire overruns. Restoration of cash to the 2000 South Florida Floods subaccount will take place as soon as the funds have been increased on the letter of credit. Written procedures will be developed and training will be provided to staff for this process.
<b>Estimated Corrective Action Date</b>	Future Inappropriate Grant Cash Coverage - February 1, 2009 Written procedures and training - April 1, 2009 Restoration of Cash Overruns - As soon as the amount is increased by the Federal agency.
<b>Agency Contact and Telephone Number</b>	Doug Wright (850) 413-9963 Charles Shinkle (407) 268-8752 Karen Peyton (850) 922-1646 Christine Savage (850) 922-1658

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-083</b>
<b>CFDA Number</b>	97.036
<b>Program Title</b>	<b>Disaster Grants – Public Assistance (Presidentially Declared Disasters)</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Cash Management
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b> <b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-069
<b>Finding</b>	FDEM and FDCA had not resolved deficiencies noted in the prior audit regarding the documentation and coding of cash advances. Additionally, FDEM had not established procedures for monitoring interest earned by the subgrantees on advances.
<b>Criteria</b>	<p>31 CFR 205, <i>Rules and Procedures for Efficient Federal-State Funds Transfer</i>; 44 CFR 13.20, <i>Standards for Financial Management Systems</i>; 44 CFR 13.21(c), <i>Advances</i>; and 44 CFR 13.21(i), <i>Interest earned on advances</i></p> <p>FDEM Subgrantee Reimbursement Guidelines require that when requesting an advance, the applicant must complete and submit a Request for Advance and a 90-day or less Schedule of Projected Expenditures (SOPE) for each project listed on the Request for Advance. The SOPE must outline how advance funds will be expended over the next 90 days.</p>
<b>Condition</b>	<p>FDCA advanced Disaster Grants funds totaling approximately \$2.9 million to five subgrantees during the 2007-08 fiscal year. Our audit tests disclosed:</p> <ul style="list-style-type: none"> <li>We reviewed three advances totaling approximately \$2.5 million and noted conditions similar to those reported in the prior year. For the three advances reviewed, FDEM did not obtain all documentation required by the subgrantee agreements, such as evidence to demonstrate that the subgrantee had procedures in place to ensure that funds were disbursed to vendors and contractors without unnecessary delay and statements justifying the advance. Also, FDEM records did not document that the cash advances were necessary to meet the immediate cash needs of the subgrantee or indicate why it was necessary to provide funding for up to 90 days in advance of when the cash would be needed by the subgrantee. For example, for one advance payment, totaling approximately \$1.3 million and made in November 2007, FDEM had not received documentation that the subgrantee had expended the advanced funds as of June 30, 2008, 215 days later.</li> <li>FDCA coded all of the 2007-08 fiscal year advances as reimbursements rather than as advances in FLAIR. Our review of five payments disclosed that FDEM had identified all five payments as advances in the supporting documentation sent to FDCA for processing. FDCA staff indicated that FDCA coded disaster payments subsequent to the first payment to a subgrantee as reimbursements.</li> </ul> <p>Additionally, FDEM had not established procedures for monitoring interest earned by subgrantees on advances and ensuring that any interest earned by the subgrantees was promptly (at least quarterly) remitted to FDCA as required by subgrantee contract terms. Because FDEM did not obtain documentation to support the reasonableness of advances and monitor interest earned, significant subgrantee interest liabilities could accrue. For example, during the 2007-08 fiscal year, one subgrantee remitted interest totaling \$688,313 to FDEM, based on recommendations in the subgrantee's audit report for the fiscal year ended September 30, 2006.</p>

<b>Cause</b>	FDEM procedures did not ensure that advances were administered in compliance with Federal regulations or that interest earned on advances was properly determined and remitted by the subgrantees. Additionally, FDEM practices for advancing funds did not address adherence to cash management requirements.
<b>Effect</b>	Absent adequate controls, FDEM and FDCA lack assurance that subgrantees minimize the time elapsing between the transfer of Federal funds and their disbursement by the subgrantee and timely remit any interest earnings. Without proper recording of advances in FLAIR, FDEM and FDCA have a limited ability to identify advances and ensure that they are properly offset with subsequent subgrantee expenditures.
<b>Recommendation</b>	We again recommend that FDEM establish procedures to ensure that all required conditions are met prior to advancing moneys to subgrantees. FDCA should ensure that advances are properly coded in FLAIR. We also recommend that FDEM establish procedures to ensure the timely remittance of interest earnings to FDCA.

#### **Florida Department of Community Affairs**

<b>State Agency Response and Corrective Action Plan</b>	All advance payments received in the Fiscal Management unit that meet the State's statutory requirements and have received an approved waiver if applicable, will be classified as an advance upon entry into FLAIR. All payments received in the Fiscal Management unit that are classified as an advance payment but do not meet the designated criteria will be returned to the appropriate program office to correct the advance classification or until waiver approval documentation is provided. Written procedures will be developed and training will be provided to staff for this process.
<b>Estimated Corrective Action Date</b>	April 1, 2009
<b>Agency Contact and Telephone Number</b>	Karen Peyton (850) 922-1646

#### **Florida Division of Emergency Management**

<b>State Agency Response and Corrective Action Plan</b>	FDEM will develop methodology and written procedures that incorporate and follow the requirements contained in the Public Assistance Funding Agreement, Article VIII C in order to substantiate and comply with the conditions required for advancing monies to subgrantees. FDEM will also develop methodology and written procedures for ensuring the timely identification and payment of interest earned due to advances made to the subgrantee.  All advance payments received in the Fiscal Management unit that meet the state's statutory requirements and have received an approved waiver if applicable, will be classified as an advance upon entry into FLAIR. All payments received in the Fiscal Management unit that are classified as an advance payment but do not meet the designated criteria will be returned to the appropriate program office to correct the advance classification or until waiver approval documentation is provided.
<b>Estimated Corrective Action Date</b>	April 2009
<b>Agency Contact and Telephone Number</b>	Charles Shinkle (407) 268-8752  Bob Seibert (407) 268-8609  Karen Peyton (850) 922-1646

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-084</b>
<b>CFDA Number</b>	97.036
<b>Program Title</b>	<b>Disaster Grants – Public Assistance (Presidentially Declared Disasters)</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Availability of Federal Funds, Reporting, and Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	FEMA-1345-DR-FL
<b>Finding Type</b>	Other Questioned Costs – \$26,879,056 (Federal Share \$22,483,862; State Share \$4,395,195)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-070
<b>Finding</b>	FDEM's analysis of eligible costs to amounts paid for one subgrantee disclosed payments totaling \$26,879,056 in excess of costs incurred.
<b>Criteria</b>	44 CFR 13.22 & 206. 205, 226, 228, <i>Allowable Costs</i> ; 44 CFR 13.21(c), <i>Advances</i> ; 44 CFR 13.21(i), <i>Interest earned on advances</i> ; 44 CFR 13.40, <i>Monitoring</i> ; 44 CFR 13.40 & 206.204, <i>Reporting</i>
<b>Condition</b>	<p>In our prior audit, we questioned over \$15 million in payments to one subgrantee for which there was not sufficient documentation to demonstrate that the payments were appropriate. In response to that finding, FDEM prepared a reconciliation of final eligible costs to payments and advances made for 1,746 of the more than 2,000 projects approved for this subgrantee related to the 2000 South Florida Floods (FEMA-1345-DR-FL). Based on the draft reconciliation provided on November 19, 2008, FDEM had paid in prior years \$26,879,056 in excess of the subgrantee's final eligible costs for the closed projects. In addition to the excess, the subgrantee may also owe interest on advances received from FDEM that were not expended. FDEM staff had not calculated the amount of the interest liability.</p> <p>The final eligible costs used in FDEM's reconciliation are based on the FEMA approved final inspection reports. FDEM staff cannot complete the reconciliation until all final inspections for these projects have been approved by FEMA. According to FDEM records, as of October 6, 2008, there were 76 open projects for this subgrantee that will require final inspections. Until a final reconciliation is performed, FDEM has suspended all further payments to the subgrantee.</p>
<b>Cause</b>	According to FDEM staff, funds were advanced to the subgrantee without requests for the advances and without justifying documentation, with the understanding that the subgrantee would account for the funds at final inspection. In some cases, for projects with funding advances, the projects were not completed because it was later determined that there was no damage or the projects were transferred to other subgrantees.
<b>Effect</b>	<p>Pending FDEM's final reconciliation and corrective actions, moneys have been provided to a subgrantee that should be repaid with interest to the Disaster Grants Program.</p> <p>Additionally, because Federal funding for these disaster projects expired on October 4, 2008, costs incurred by FDEM in conducting the remaining final inspections, finalizing the reconciliation, and processing payments and refunds subsequent to this date will not be eligible for Federal funding. Although project costs may continue to be paid, Federal regulations provide that funding for administrative costs is available for a maximum of eight years from the date of the major disaster declaration.</p>

<b>Recommendation</b>	We recommend that FDEM recover any amounts paid on completed projects in excess of the subgrantee's final eligible costs with interest, and restore the amounts recovered to the Disaster Grants Program and appropriate State matching fund sources. We also recommend that, as additional projects are completed, FDEM, as soon as practicable, allocate the necessary resources to facilitate the completion of the final inspections, the reconciliation, and final payments and refunds.
<b>State Agency Response and Corrective Action Plan</b>	FDEM has suspended further payments to the subgrantee until the final reconciliation is completed on all projects. FDEM will schedule the remaining final inspections and determine if the subgrantee placed the advanced funds in an interest-bearing account and if so, the interest earned will be required to be remitted for refund to FEMA.
<b>Estimated Corrective Action Date</b>	September 2009
<b>Agency Contact and Telephone Number</b>	Charles Bartel (850) 414-7566

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-085</b>
<b>CFDA Number</b>	97.036
<b>Program Title</b>	<b>Disaster Grants – Public Assistance (Presidentially Declared Disasters)</b>
<b>Compliance Requirement</b>	Cash Management
<b>State Agency</b>	<b>Florida Department of Community Affairs (FDCA)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	FEMA-1609-DR-FL
<b>Finding Type</b>	Noncompliance
<b>Finding</b>	FDCA, in some instances, drew down funds without documenting that the funds were for immediate cash needs.
<b>Criteria</b>	44 CFR 13.20(7), <i>Cash Management</i>
<b>Condition</b>	During the 2007-08 fiscal year, FDCA drew down funds totaling approximately \$554 million for the Disaster Grants Program. Our review of ten draws totaling approximately \$65.2 million disclosed that two draws included amounts totaling \$1,100,000 for which FDCA management could not provide supporting documentation evidencing how the amount was determined or that there was an immediate cash need for the funds.
<b>Cause</b>	FDCA personnel indicated that the \$1,100,000 was drawn due to a discrepancy between state accounts and the agency's cash report. The cash was drawn to cover expenditures in the fund until records could be reconciled.
<b>Effect</b>	Draws in excess of documented immediate cash needs were made.
<b>Recommendation</b>	We recommend that FDCA ensure that draws do not exceed documented immediate cash needs.
<b>State Agency Response and Corrective Action Plan</b>	The FDCA has a process established that should always be followed when making federal cash draws. This process does not support the drawing of cash without proper documentation. We will continue to reiterate the established guidelines to all staff involved in this process. Written procedures will be developed and training will be provided to staff for this process.
<b>Estimated Corrective Action Date</b>	February 1, 2009 with written procedures and formal training by April 1, 2009
<b>Agency Contact and Telephone Number</b>	Karen Peyton (850) 922-1646  Christine Savage (850) 922-1658

## U.S. DEPARTMENT OF HOMELAND SECURITY

**Finding Number** FA 08-086  
**CFDA Number** 97.036  
**Program Title** Disaster Grants – Public Assistance (Presidentially Declared Disasters)  
**Compliance Requirement** Special Tests and Provisions  
**State Agency** Florida Division of Emergency Management (FDEM)  
**Federal Grant/Contract Number and Grant Year** FEMA-1539-DR-FL, FEMA-1545-DR-FL, FEMA-1551-DR-FL, FEMA-1561-DR-FL, FEMA-1595-DR-FL, FEMA-1602-DR-FL, FEMA-3220-DR-FL, FEMA-3259-DR-FL, and FEMA-1609-DR-FL  
**Finding Type** Disclaimer of Opinion, Material Weakness, and Significant Deficiency  
**Prior Year Finding** Report No. 2008-141, Finding No. FA 07-074

**Finding** Significant deficiencies disclosed in the prior audit regarding the completion of final inspections continued to exist during the 2007-08 fiscal year.

**Criteria** 44 CFR 206.205, *Payment of claims*

**Condition** In audit report No. 2008-141, finding No. FA 07-074, we disclosed significant deficiencies regarding FDEM's inability to complete final inspections for a significant number of large projects. Large projects are those with expenditures exceeding an established threshold. During the 2007-08 fiscal year, the threshold for large projects was \$60,900.

In response to our inquiry, FDEM management indicated that as of October 2008, final inspections had been completed for 6,073 closed projects. However, of the 5,677 applicable open large projects, as of October 2008, there remained 2,260 projects for which final inspections had been requested, but not completed. A breakdown by disaster is presented below.

Disaster	Number of Large Projects		
	Closed	Open	Open With Final Inspection Requested
<b>Pre-2004 Disasters</b>			
1300 – Hurricane Floyd	131	8	1
1306 – Hurricane Irene	235	130	1
1344 – Tropical Storm	141	5	0
1345 – South Florida Floods	2,275	203	14
1381 – Tropical Storm Allison	57	5	2
1393 – Tropical Storm Gabrielle	89	6	0
1481 – Severe Storms and Flooding	49	11	5
<b>2004 and 2005 Disasters</b>			
1539 – Hurricane Charley and Tropical Storm Bonnie	653	602	316
1545 – Hurricane Frances	904	855	552
1551 – Hurricane Ivan	329	605	273
1561 – Hurricane Jeanne	563	646	458
1595 – Hurricane Dennis	107	225	101
1602 – Hurricane Katrina	87	233	90
3220 – Hurricane Katrina Evacuation	6	2	1
3259 – Tropical Storm Rita	28	13	7
1609 – Hurricane Wilma	398	1,971	421
<b>2006 – 2008 Disasters</b>			
1679 – Severe Storm and Tornadoes	21	157	18
<b>Total All Disasters</b>	<b>6,073</b>	<b>5,677</b>	<b>2,260</b>

Source: FDEM Records as of October 6, 2008

<b>Cause</b>	According to FDEM management, the resources needed to hire additional staff to process these inspections had not been available due to delayed funding from FEMA. FDEM management also attributed the backlog of final inspections and closeouts to FEMA procedures that duplicated work performed by FDEM. Additionally, FDEM management indicated that delays were caused by work required by new disasters which took priority over closure activities.
<b>Effect</b>	Final inspections for large projects are necessary for FDEM to certify that reported costs were incurred in the performance of eligible work, that the approved work was completed, that the project was in compliance with the provisions of the FEMA-State Agreement, and that payments had been made in accordance with Federal requirements. The effectiveness of these inspections is significantly diminished absent their timely performance.
<b>Recommendation</b>	We recommend that FDEM allocate the necessary resources to facilitate the completion of all required final inspections as soon as practicable.
<b>State Agency Response and Corrective Action Plan</b>	FDEM has worked diligently with FEMA to secure the appropriate funding to allocate the necessary resources required to complete required final inspections. Additionally, FDEM has bi-weekly conferences with FEMA to review progress of closeouts and refine strategies in order to minimize duplication of work effort. The majority of FDEM staff mobilized to work new disasters has returned to their closeout duties and the remaining staff will be returned as soon as practicable.
<b>Estimated Corrective Action Date</b>	December 2010
<b>Agency Contact and Telephone Number</b>	Doug Wright (850) 413-9963  Charles Shinkle (407) 268-8752  Bob Seibert (407) 268-8609

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-087</b>
<b>CFDA Number</b>	97.039
<b>Program Title</b>	<b>Hazard Mitigation Grant</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	FEMA-1249-DR-FL, FEMA-1345-DR-FL, FEMA-1381-DR-FL, FEMA-1539-DR-FL, FEMA-1545-DR-FL
<b>Finding Type</b>	Opinion Qualification, Material Noncompliance, Material Weakness and Significant Deficiency Questioned Costs – \$749,330.47 (FEMA 1249-DR-FL - \$84,521.00; FEMA-1345-DR-FL - \$135,490.00; FEMA-1381-DR-FL - \$3,557.57; FEMA-1539-DR-FL - \$265,812.00; FEMA-1545-DR-FL - \$258,647; State Share - \$1,302.90)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-076
<b>Finding</b>	Contrary to Federal and State requirements, FDEM made reimbursements to subgrantees after the period of performance, without approval from the Federal Emergency Management Agency (FEMA). Additionally, in two instances FDEM charged the payments to an incorrect disaster authorization.
<b>Criteria</b>	OMB Circular A-87, Attachment A, Section C.1.j., <i>Costs must be adequately documented</i> ; OMB Circular A-87, Attachment A, Section C.1.c., Section C.1.d., Section C.3.a., and Section C.3.c., <i>Basic Guidelines</i>  44 CFR 206.434(d)(1), <i>Eligible activities – Planning</i> provides that up to 7 percent of the State's grant may be used to develop State, tribal, and/or local mitigation plans.  44 CFR 206.40, <i>Designation of affected areas and eligible assistance</i>  44 CFR 206.44, <i>FEMA-State Agreements</i>
<b>Condition</b>	During the 2007-08 fiscal year, FDEM made payments to 88 subgrantees totaling \$24,346,387. Pursuant to the terms of the Hazard Mitigation subgrant agreements, final close-out reports are due 60 days after the project period or upon completion of the activities in the agreement. FDEM's final close-out report requires the subgrantee to itemize all expenses incurred during the project and specifically acknowledge any cost overages or underages.  Our test of 40 payments to subgrantees totaling \$15,644,673.65, disclosed 5 payments totaling \$749,330.47, in which FDEM reimbursed the subgrantee after the project period had ended and after final close-out reports were due. These five payments were made from 110 days to 2.5 years (857 days) after the end of the project period and the date the final close-out reports were due to FDEM. Our review of the documentation on file for these payments disclosed the following additional information:  <ul style="list-style-type: none"> <li>Two payments totaling \$220,011 were not supported by adequate supporting documentation, such as copies of invoices, cancelled checks, and payroll ledgers. One of these payments, in the amount of \$84,521, is discussed further below.</li> <li>One payment totaling \$84,521 was made although FDEM had received a notice from FEMA indicating that no further extensions to the project would be granted beyond September 30, 2005. Documentation included in the project file indicated that FDEM processed this payment, dated September 5, 2007, based on an executive decision over the objections of two project managers who both questioned expenditures that appeared to have occurred outside the period of performance. FDEM records did not indicate the basis for the decision to make this payment.</li> </ul>

- Two payments totaling \$270,672.47 were coded to disasters other than the disasters under which FEMA initially approved the project. According to FDEM staff, payments were made from the wrong disaster because funding was not available under the approved disaster. These payments were approved under Tropical Storm Allison and Hurricane Charley, but paid from the 2000 South Florida Floods and Hurricane Jeanne, respectively. One of these payments, \$4,860.47 for a planning project, was made without evidence of review by the Project Manager. The Project Manager's review serves to verify that the service period is within the subgrantee's period of performance and that matching requirements were met.

Failure to charge payments for planning projects to the appropriate disaster may affect FDEM's ability to comply with the 7-percent limitation on planning projects for the disaster. Consequently, we reviewed FDEM records and identified a total of \$31,509.39 of contract payments made during the 2006-07 fiscal year for planning projects authorized under Tropical Storm Allison that were charged to the incorrect disaster.

<b>Cause</b>	FDEM management indicated they had experienced frequent staff turnover. Additional information regarding the cause of the deficiencies are included within the descriptions of the specific above-noted instances.
<b>Effect</b>	Payments made outside the period of performance are subject to disallowance by USDHS. Additionally, failure to charge project costs to the appropriate disaster limits management's ability to monitor adherence to Federal earmarking requirements.
<b>Recommendation</b>	We recommend that FDEM ensure that payments are made only for services incurred within the approved period of performance. We also recommend that FDEM review its records to determine the amounts paid on all projects from funds inappropriately drawn from other disasters and restore such amounts to the correct disaster account.
<b>State Agency Response and Corrective Action Plan</b>	<p>This finding outlines three issues which are sources for audit exceptions in administering the Hazard Mitigation Grant Program (HMGP).</p> <ul style="list-style-type: none"> <li>• Inadequate documentation for reimbursement</li> <li>• Payment outside the period of performance</li> <li>• Reimbursement transactions miscoded to incorrect funding source</li> </ul> <p>Inadequate documentation for reimbursement – The Federal regulations require that the Grantee (State) provide a summary of documentation for payment reimbursement, and that the project records are kept by the sub-grant recipient. (CFR 44, Sec. 206.438 Project management.)</p> <p>Florida HMGP has chosen to require additional documentation, including (but not limited to) proof of financial transactions and proof of the completion of scope of work. These practices, which were implemented in April 2007, with the introduction of a Request for Reimbursement / Advance Payment Checklist (see corrective action to FA 07-076). The use of this Checklist has also decreased the number of payments made with inadequate supporting documentation. This finding identifies 5 out of 40 payments which are exceptions to current procedures. There are circumstances where the Governor's Authorized Representative in cooperation with the Federal Grantor will authorize funding of projects that have deviated from Federal or state guidelines. In the future, when this occurs, a copy of the authorizing document will be included in the file.</p> <p>Action: HMGP Project Managers will require sufficient documentation to ensure that scopes of work are complete and financial transactions are valid before payments are approved. This has been implemented and the Projects Managers and Quality Control personnel will be reminded of these guidelines identified in the Request for Reimbursement / Advance Payment Checklist.</p>

Payment outside the period of performance – The period of performance (POP) for an HMGP project, as determined by the Federal guidelines, is pertinent to the actual work completed. The program allows for administrative tasks to be completed after the period of performance, including inspections, payments and closeout documentation. Typical DEM contract practices have been that the contract period of performance mirror the project period of performance. Frequently work will be completed within the period of performance but the final payments or other administrative activities are not completed.

Action: When an HMGP project POP requires an extension the Project Manager will review and process the request for submission to the Federal agency. The HMGP Project Manager will coordinate the requests to the Federal agency along with any modification needed to the contract. These tasks may not coincide since the Federal approval for POP extension must be approved before the State contract can be modified. This process will be documented and Project Managers will ensure that the process is completed before pertinent administrative tasks are conducted.

Reimbursement transactions miscoded to incorrect funding source – The DCA Finance & Accounting section works with the DEM Finance Section to determine the cost accounting and cost accumulators that will be used to capture grant expenditures. The “coding” that is set up for HMGP is manually inputted into the Florida Emergency Reimbursement System (FERS) system, and a table will be used in the FloridaMitigation.org system where payments are and will be produced. HMGP has strict procedures for both sub-grant payments and management cost expenditures, that these cost will only be charged against the approved federal or state funding source. Any mistakes in the coding of payments or inadvertent charges to inappropriate funding sources are corrected. Reconciliations between the state accounting system and the programmatic grant awards are conducted quarterly. The charging of expenditures to incorrect sources, because of the lack of correct funding, has been addressed. These issues, when identified, are corrected.

Action: HMGP will continue to conduct quarterly reconciliations of the state accounting and programmatic accounting systems (FERS / FloridaMitigation.org)

Quarterly, perpetual.

**Estimated Corrective  
Action Date**

**Agency Contact and  
Telephone Number**

Miles Anderson, Community Program Administrator  
(850) 413-9816

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-088</b>
<b>CFDA Number</b>	97.039
<b>Program Title</b>	<b>Hazard Mitigation Grant</b>
<b>Compliance Requirement</b>	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	FEMA-1249-DR-FL, FEMA-1345-DR-FL, FEMA-1381-DR-FL, FEMA-1539-DR-FL, FEMA-1545-DR-FL, FEMA-1551-DR-FL
<b>Finding Type</b>	Opinion Qualification, Material Noncompliance, Material Weakness and Significant Deficiency – Activities Allowed or Unallowed and Allowable Costs/Cost Principles Noncompliance and Significant Deficiency – Cash Management Questioned Costs – \$1,965,044.50 (FEMA 1551-DR-FL - \$1,894,447.95; FEMA-1609-DR-FL - \$4,461.00; State Share - \$66,135.55)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-076
<b>Finding</b>	Our review disclosed a significant number of instances in which FDEM did not maintain adequate documentation to support the appropriateness of payments to subgrantees or adhere to its established procedures. Additionally, FDEM's procedures for advancing funds to subgrantees may not be effective in minimizing the time elapsing between the disbursement of funds and their disbursement by the subgrantee.
<b>Criteria</b>	OMB Circular A-87, Attachment A, Section C.1.j., <i>Costs must be adequately documented</i> ; OMB Circular A-87, Attachment A, Section C.1.c., Section C.1.d., Section C.3.a., and Section C.3.c., <i>Basic Guidelines</i> ; OMB Circular A-87, Attachment B, Section 8.g., <i>Severance pay</i>  31 CFR 205.33, <i>States should exercise sound cash management in funds transfers to subgrantees in accordance with OMB Circular A-102</i>  44 CFR 13.21(c), <i>Advances</i>
<b>Condition</b>	During the 2007-08 fiscal year, FDEM made payments to 88 subgrantees totaling \$24,346,387. Our test of 40 payments to subgrantees totaling \$15,644,673.65, disclosed 9 payments for which FDEM did not adhere in some respect to Federal requirements or FDEM established procedures. As described below, we identified costs that were not documented or were inappropriate based on applicable Federal cost principles or cash management requirements: <ul style="list-style-type: none"> <li>• FDEM policies required subgrantees to submit detailed documentation to support costs, such as copies of invoices, cancelled checks, and payroll ledgers. Six payments included costs totaling \$264,382.01 that were not adequately supported by documentation required by FDEM. In these instances, detailed documentation of the costs such as invoices, timesheets, and budgets were not included with the payment documentation.</li> <li>• According to FDEM's standard agreement with its subgrantees, FDEM may advance funds up to the expected cash needs of the subgrantee within the first three months of the contract. In order to receive an advance payment, FDEM required subgrantees to submit a request for advance, a justification of advance, and a detailed budget with supporting documentation. Two of the 40 payments examined were advances. One additional advance payment was noted during our review of FDEM's monitoring activities. With regard to the 3 advances, we noted that FDEM advanced funds without obtaining required supporting budget documentation and in amounts that were inconsistent with the planned scope of work and period of performance. Additionally, FDEM may have advanced funds in excess of funds needed to meet immediate cash needs, contrary to Federal regulations.</li> </ul>

- FDEM advanced one subgrantee \$1,390,532 without documentation to support the budget submitted.
- FDEM advanced one subgrantee \$304,656, which represented half of the grant award although the grant agreement was for 36 months.
- FDEM advanced one subgrantee \$4,461, the entire award amount, although the grant agreement extended for a period of 27 months. In this instance, the subgrantee submitted an advance justification that indicated all work would be done within three months, while the scope of work contained within the grant agreement indicated that the work would take 27 months. FDEM did not resolve the inconsistency with regard to the grant period and approved the advance solely based on the advance justification.
- Payment documentation submitted by one subgrantee included salary and leave payments totaling \$1,013.49 for one employee during the period August 26, 2007, through September 29, 2007. According to FDEM staff, these payments, although submitted for reimbursement as regular salary and leave, were for severance pay. Pursuant to Federal regulations, severance pay may not be directly charged to the Program.

**Cause**

FDEM management indicated they had experienced frequent staff turnover.

FDEM procedures for advancing funds do not address adherence to cash management requirements.

**Effect**

Absent adequate documentation, FDEM cannot demonstrate the appropriateness of the expenditures and advances charged to the Program. Additionally, failure to consider applicable cash management requirements may result in FDEM placing excess funds with subgrantees.

**Recommendation**

We recommend that FDEM ensure that, prior to payment of the subgrantee requests for payments, appropriate documentation is obtained and reviewed to evidence that services have been received and were allowable. We also recommend that FDEM enhance its procedures to ensure that advances are appropriate based on the scope and length of the period of performance and conform to Federal cash management requirements.

**State Agency Response and Corrective Action Plan**

Appropriate documentation for payments – The Federal regulations require that the Grantee (State) provide a summary of documentation for payment reimbursement, and that the project records are kept by the sub-grant recipient. (CFR 44, Sec. 206.438 Project management.)

Florida HMGP has chosen to require additional documentation, including (but not limited to) proof of financial transactions and proof of the completion of scope of work. These practices, which were implemented in April 2007, with the introduction of a Request for Reimbursement / Advance Payment Checklist (see corrective action to FA 07-076), have decreased the State costs and travel to conduct site inspections. These findings identify 5 out of 40 payments which are exceptions to current procedures. There are circumstances where the Governor's Authorized Representative in cooperation with the Federal Grantor will authorize funding of projects that have deviated from the federal or state guidelines. In the future, when this occurs, a copy of the authorizing document will be included in the file.

Action: HMGP Project Managers will continue to require sufficient documentation to ensure that scopes of work are complete and financial transactions are valid before payments are approved. This has been implemented and the Projects Managers and Quality Control personnel will be reminded of these guidelines identified in the Request for Reimbursement / Advance Payment Checklist.

Advances – The Florida HMGP bases advance payments requests and approvals on the scope of work schedule. Additionally, Florida HMGP will require a

purchase order(s) or other sufficient outside source document along with a payment schedule of its subgrant recipients.

Action: HMGP Project Managers will be reminded of the revised State guidelines, also outlined in the contracts, and be required to follow these guidelines.

**Estimated Corrective  
Action Date**

Immediate

**Agency Contact and  
Telephone Number**

Miles Anderson, Community Program Administrator  
(850) 413-9816

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-089</b>
<b>CFDA Number</b>	97.039
<b>Program Title</b>	<b>Hazard Mitigation Grant</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Material Weakness and Significant Deficiency

**Finding** FDEM management had not established appropriate internal controls regarding user access and systems development and management for the Florida Emergency Reimbursement System (FERS).

**Criteria** 44 CFR 13.20, *Standards for financial management systems*

Florida Department of Management Services Rule 60DD-2.004 *Logical and Data Access Controls*, Florida Administrative Code, stipulates each user of a multiple-user information resource shall be assigned a unique personal identifier that shall be authenticated before access is granted. Additionally, user's access authorization shall be removed when the user's employment is terminated or where access to the information resource is no longer required.

Florida Department of Management Services Rule 60DD-2.005 *Data and System Integrity*, Florida Administrative Code, stipulates that test functions shall be separate from production functions and that all program changes shall be approved before implementation to determine whether they have been authorized, tested, and documented.

Florida Department of Management Services Rule 60DD-2.008 *Personnel Security and Security Awareness*, Florida Administrative Code, stipulates that agencies shall provide an ongoing awareness and training program in information security.

Information Technology (IT) Industry Standards:

IT Governance Institute *Control Objectives for Information Technology (COBIT 4.1)*:

DS5.3 Identity Management - User access rights to systems and data should be in line with defined and documented business needs and job requirements.

AI7.6 Testing of Changes – Changes should be tested independently prior to migration to the operational environment.

PO8.2 IT Standards and Quality Practices – Standards, procedures and practices for key IT processes should be identified and maintained.

National Institute of Standards and Technology *Building an Information Security Technology Awareness and Training Program*, Special Publication 800-50.

**Condition**

FDEM used FERS as the underlying support for Hazard Mitigation Grant (HMG) expenditures and, according to FDEM management, all staff members used FERS for a large number of tracking, reporting, and informational needs. FERS was used to account for HMG grants and related activities, including payments, and to create quarterly reports submitted to FEMA. HMG expenditures totaled \$75,476,793.68 during the period July 1, 2007, through June 30, 2008.

Our review disclosed that with respect to FERS, access, system documentation, security awareness, and change management controls were not sufficient. Specifically, we noted the following:

- Security awareness program training had not been provided to FDEM staff.

- There were no user manuals, diagrams, or system documentation for FERS available at FDEM.
- Changes to FERS programming code were made directly into the production environment by a contractor. The changes were not subject to testing prior to being placed in use.
- Access to FERS was not timely removed for terminated employees. FDEM had not timely removed the access capabilities of the two employees who terminated employment with DEM during the period July 1, 2007, through May 31, 2008, as of June 10, 2008. These employees, both of whom had unlimited capabilities within FERS (level 3), including adding users and establishing access rights of users, terminated their employment on April 1, 2008.
- Additional aspects of FDCA security controls in the areas of user access needed improvement. Specific details of the issues are not disclosed in this report to avoid the possibility of compromising FDCA security. Appropriate FDCA personnel have been notified of the issues.

**Cause**

FDEM employees noted that FERS was created and maintained by a contractor and FDEM had not monitored user access and system controls for appropriateness. FDEM management indicated that since access to the FDCA network was necessary in order to access the system it was not necessary to control access at the system level. However, access controls at the system level are necessary to ensure that access is appropriate based on employees' assigned duties and responsibilities.

**Effect**

Absent appropriate security, system documentation, and change management controls, the integrity of the data contained within FERS may be compromised. Additionally, without system documentation, including documentation and testing of system changes, users may not be aware of the functions contained within FERS or the purpose of system fields.

**Recommendation**

We recommend FDEM management establish appropriate FERS security and systems development and change management controls. Additionally, we recommend that FDEM ensure that the access of employees is removed from the system immediately upon termination of employment.

**State Agency Response and Corrective Action Plan**

As indicated by this finding, the Florida Emergency Reimbursement System (FERS) has the following security and management deficiencies.

The FERS user security is controlled by four (4) access levels; System Administrator (3), Project Manager (2), HMGP user (1), and Read Only user (0). The FERS system MUST retain the user information in perpetuity so that historical user activities are preserved. The system allows for the "deactivation" of users which prevents all access.

FERS has a "help" section in the system which functions as the user manual. The FERS system documentation is unretrievable and will not be redeveloped since the Bureau is currently developing the web-based replacement system FloridaMitigation.org. The new system will be documented and FERS, as it interfaces and transitions to the new system will also be documented. FloridaMitigation.org is in Alpha testing stage and will enter the Beta testing stage within 6 months (NLT July 1, 2009). Full implementation and transition to the new system will most likely be during the next fiscal year (FY 09-10).

Changes to FERS are infrequent and are usually only required when a report needs updating or a bug needs to be fixed. The contractor that provides service to FERS, tests all changes on a local beta copy of FERS before implementing into the live version. This is per the DCA development methodology.

**Actions:**

1. DCA is developing a security awareness & training program, slated to begin in

April 2009, which DEM will apply to FERS and FloridaMitigation.org accordingly.

2. The task of deactivating HMGP users will be included in the "exit" process and added to the FDEM "Separation of Employment Form" for all terminated, retiring, and resigning employees. The FERS users with system administration (3) access will be authorized to control activation and deactivation. To be implemented immediately.

3. During the Beta implementation of FloridaMitigation.org system, the FERS transition and interface will be documented according to the DCA development methodology. Timeframe: NLT 01 July 2009.

4. Appropriate system documentation for the FloridaMitigation.org system will be developed during the full implementation of the system. Timeframe: 01 July 2009 to 30 June 2010.

**Estimated Corrective  
Action Date**

See time frames in above

**Agency Contact and  
Telephone Number**

Miles Anderson, Community Program Administrator  
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## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-090</b>
<b>CFDA Number</b>	97.039
<b>Program Title</b>	<b>Hazard Mitigation Grant</b>
<b>Compliance Requirement</b>	Reporting
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-077

**Finding** FDEM management had not maintained documentation to support that the FEMA Quarterly Report or the underlying data from the Florida Emergency Reimbursement System (FERS) had been reconciled to the State's accounting records (FLAIR). Additionally, our review disclosed that FDEM had not accurately disclosed project status and completion dates on the FEMA Quarterly Report for the quarter ending March 31, 2008.

**Criteria** 44 CFR 206.438(c), *Progress reports*, requires a quarterly progress report to FEMA indicating the status and completion date for each project funded. Any problems or circumstances affecting completion dates, scope of work, or project costs which are expected to result in noncompliance with approved grant conditions are to be described in the report.

44 CFR 13.20, *Standards for financial management systems*

**Condition** The Quarterly Report for the quarter ending March 31, 2008, encompassed 20 disasters occurring between 1998 and 2007 and included 575 open projects. The Quarterly Report disclosed cumulative Federal share payments totaling \$174,283,713, and a Federal share balance totaling \$215,098,078 for the 20 disasters. The Quarterly Report provides information to FEMA regarding approved Hazard Mitigation projects and identifies, by disaster and project, approved dates and costs, completion due dates, actual close dates, payments made, and project status. FDEM also used this report to identify the population of subgrantees for monitoring. FDEM used data maintained in the Florida Emergency Reimbursement System (FERS) to prepare the quarterly report.

Our examination of FDEM's FEMA Quarterly Report for the quarter ending March 31, 2008, disclosed instances in which the status of projects was not accurate. We identified 44 projects with project completion due dates prior to March 31, 2008, yet the projects were shown as ongoing in the project status column. In response to our audit inquiry, FDEM provided a schedule describing the status of these projects, based on information contained in grant accountant records. The schedule provided the following information in regard to the 44 projects:

- For 14 projects, the projects had been completed or deobligated but were not closed out. These projects had a range of completion due dates from June 30, 2004, to March 30, 2008, that were not shown on the Quarterly Report and a Federal share balance totaling \$1,118,929.
- For 30 of those projects, FDEM considered the project status as ongoing but had not extended the Period of Performance. These were phased projects involving planning (Phase I) and construction (Phase II). FDEM had not requested extensions to the period of performance or reported a revised completion due date for these projects. According to FDEM management, a new completion date will be assigned when phase II funding is awarded and FDEM will request a time extension for phase I if necessary. The Federal share balance for these projects totaled \$1,999,946.

- FDEM management indicated that a consultant performed a reconciliation between the FERS data and FLAIR; however, no documentation was maintained to support that the data in the systems had been reconciled or that necessary adjustments were made. In response to our audit inquiries, FDEM management could not provide us with any further information on the reconciliation process, including the accounts reconciled or whether any significant reconciling items were identified.

**Cause** FERS was not timely maintained to include current information with regard to project completion dates.

Reconciliations between FERS and FLAIR were the responsibility of a former FDEM employee. After the employee transferred to a position with the Florida Department of Community Affairs, a consultant was hired by FDEM to perform the reconciliations. Documentation of any reconciliations performed was not retained.

**Effect** The Quarterly Report errors and management's lack of understanding concerning the financial system limited FEMA's ability to effectively monitor the status of funded projects and the ability to identify potential record and reporting problems. Without extensions to the periods of performance for projects, costs could be subject to disallowance. Also, inaccurate reports may be used improperly by decision makers with regard to the amount of funds anticipated to be drawn for various projects.

**Recommendation** We recommend that FDEM staff review reconciliations performed by the consultant and maintain documentation of the results of the reconciliation, their review of the reconciliation, and actions taken as a result of the reconciliation. We also recommend that FDEM enhance its procedures to ensure that the project status and completion dates are accurately and timely recorded in FERS and reported to the Federal government.

**State Agency Response and Corrective Action Plan** The Florida HMGP requires and receives quarterly reports from sub-grant recipients for all active contracts / projects. These quarterly reports are transcribed to the "State to FEMA" quarterly report. According to the current HMGP guidelines, Project Managers review quarterly reports upon receipt and signify this review by initialing the report. Whether the report is marked by the reviewer or not, however, there is little chance that a report is not reviewed. Every report MUST be reviewed at least to the point for it to be transcribed to the State to FEMA quarterly report.

Action: Project Managers will be reminded to document review of the quarterly reports.

Frequently, the sub-grant recipients' quarterly reports will indicate little or no change in status, which would require no action by the Project Manager, unless the project or contract period of performance was close to conclusion. It is also common for the sub-grant recipients' quarterly reports to indicate delays in schedule or possible variations to budget. This, too, may not require action by the Project Manager, unless the report is accompanied by a request for additional funding or important milestones are at risk. The Project Manager must make determinations on a case-by-case basis and will sometimes need to consult HMGP management or federal partners to determine if action is needed.

Action: Project Managers will be reminded to document the actions or non-actions taken with respect to quarterly reports. The details in these reports, regarding status and completion dates will be accurately recorded by the Project Managers.

HMGP has a contracted consultant that facilitates the reconciliations of Federal, state, and programmatic accounting systems. HMGP also employs a financial point of contact that coordinates with the contractor. These personnel perform a cursory review of transactions made in FERS, FloridaMitigation.org, and FLAIR (with respect to any reconciliations), which are typically made quarterly and at grant closeout.

**Estimated Corrective  
Action Date**

The current reconciliation process is being reviewed and/or revised to coincide with the processes and implementation of the FloridaMitigation.org accounting and reimbursement system.

**Agency Contact and  
Telephone Number**

Several corrective actions are ongoing, while others coincide with the implementation of the FloridaMitigation.org system (FY 09-10).

Miles Anderson, Community Program Administrator  
(850) 413-9816

## U.S. DEPARTMENT OF HOMELAND SECURITY

<b>Finding Number</b>	<b>FA 08-091</b>
<b>CFDA Number</b>	97.039
<b>Program Title</b>	<b>Hazard Mitigation Grant</b>
<b>Compliance Requirement</b>	Subrecipient Monitoring
<b>State Agency</b>	<b>Florida Division of Emergency Management (FDEM)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	Various
<b>Finding Type</b>	Significant Deficiency
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-078
<b>Finding</b>	In some instances, FDEM staff did not follow established procedures to document required monitoring activities.
<b>Criteria</b>	OMB Circular A-133 §____.400 (d)(3), <i>Pass-through entity responsibilities</i>  FDEM Hazard Mitigation procedures require the Project Manager to read subgrantee quarterly reports in their entirety. If the applicant is behind schedule and it appears that the project will not be completed by the performance period of the contract, the Project Manager should offer technical assistance. Upon completion of the Project Manager's review, the Project Manager is to note the date and initial the report and take other appropriate actions when required.
<b>Condition</b>	During the 2007-08 fiscal year, FDEM made payments to 88 subgrantees totaling \$24,346,387. FDEM monitors its subgrantees through on-site reviews and reviews of subgrantee quarterly reports. Our review of subgrantee monitoring activities related to 15 subgrantees disclosed 6 instances in which the Project Manager did not document review of the subgrantees' March 31, 2008, quarterly reports by dating and initialing the reports. Of these six instances, three subgrantees reported that their projects were behind schedule and, in one case, overbudget. For one of the three subgrantees, FDEM staff could not provide documentation that technical assistance had been provided to the subgrantee.
<b>Cause</b>	According to FDEM personnel, as a result of frequent staff turnover, not all of the Project Managers were aware of the requirement to initial and date quarterly reports.
<b>Effect</b>	Without evidence of review, FDEM cannot demonstrate that Project Managers have examined subgrantee quarterly reports and acted appropriately to mitigate the impact of reported problems.
<b>Recommendation</b>	We recommend FDEM personnel provide appropriate training to ensure that Project Managers are aware of the procedures for documenting monitoring activities. We also recommend that appropriate follow-up activities are performed and documented.
<b>State Agency Response and Corrective Action Plan</b>	The Project Manager must make determinations on a case-by-case basis and will occasionally need to consult HMGP management or Federal partners to determine if action is needed. Frequently, the sub-grant recipients' quarterly reports will indicate little or no change in status, which would require no action by the Project Manager, unless the project or contract period of performance was close to conclusion. It is also common for the sub-grant recipients' quarterly reports to indicate delays in schedule or possible variations to budget. Unless the report is accompanied by a request for additional funding or important milestones are at risk. The Project Manager must make determinations on a case-by-case basis and will sometimes need to consult HMGP management or federal partners to determine if action is needed.  Action: To ensure consistency, guidance materials for quarterly project monitoring, is provided to Project Managers. This guidance calls for the documentation of the actions or non-actions taken on a quarterly basis. In addition, monthly

	notifications will be sent to the management team.
<b>Estimated Corrective Action Date</b>	Ongoing
<b>Agency Contact and Telephone Number</b>	Miles Anderson, Community Program Administrator (850) 413-9816

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**STATE UNIVERSITIES AND COMMUNITY COLLEGES**  
**SUMMARY OF QUESTIONED COSTS**  
*For the Fiscal Year Ended June 30, 2008*

<b>Compliance Requirement/ Institutions</b>	<b>Questioned Costs</b>	<b>Questioned Costs Restored</b>	<b>Net Questioned Costs</b>
<b><u>Student Financial Assistance Cluster</u></b>			
<b>CASH MANAGEMENT - Finding No. FA 08-092</b>			
Escheating:			
Florida A & M University	\$ 9,038.75	\$	\$ 9,038.75
<b>ELIGIBILITY - Finding No. FA 08-094</b>			
Overaward:			
University of North Florida	10,141.00	10,141.00	
<b>SPECIAL TESTS AND PROVISIONS - Finding No. FA 08-098</b>			
Return of Title IV Funds - Official Withdrawal:			
Seminole Community College	611.00		611.00
St. Petersburg College	325.51	325.51	
<b>Total</b>	<u>936.51</u>	<u>325.51</u>	<u>611.00</u>
<b>SPECIAL TESTS AND PROVISIONS - Finding Nos. FA 08-099, 100</b>			
Return of Title IV Funds - Unofficial Withdrawal:			
Florida Atlantic University	1,178.42	1,178.42	
St. Petersburg College	468.96	468.96	
<b>Total</b>	<u>1,647.38</u>	<u>1,647.38</u>	
<b>SPECIAL TESTS AND PROVISIONS - Finding No. FA 08-101</b>			
Nonattendance:			
St. Petersburg College	4,935.00	4,935.00	
<b>Total Questioned Costs</b>	<u>\$ 26,698.64</u>	<u>\$ 17,048.89</u>	<u>\$ 9,649.75</u>

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-092</b>
<b>CFDA Number</b>	84.032, 84.063, and 84.375
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Family Education Loan (FFEL) Federal Pell Grant Program (PELL) Academic Competitiveness Grants (ACG)
<b>Compliance Requirement</b>	Cash Management – Prohibition on Escheating of Title IV Higher Education Act (HEA) Funds
<b>State Educational Entity</b>	<b>Florida Agricultural and Mechanical University (FAMU)</b>
<b>Finding Type</b>	Noncompliance Questioned Costs – \$9,038.75 (\$3,951.10 FFEL subsidized; \$1,810.60 FFEL unsubsidized; \$2,152.05 PELL; and \$1,125 ACG)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-081, Report No. 2007-146, Finding No. FA 06-084, Report No. 2006-152, Finding No. 05-089, and Report No. 2005-158, Finding No. FA 04-092
<b>Finding</b>	The institution's procedures were not adequate to ensure the timely return of unclaimed Title IV HEA funds to applicable Federal programs and lenders.
<b>Criteria</b>	34 CFR 668.164(h)(2), Subpart K, <i>Cash Management, Disbursing Funds</i>  According to the U.S. Department of Education, institutions are prohibited from allowing Title IV HEA funds to revert (or "escheat") to a third-party, State, or institutional coffers, and Florida institutions must return unclaimed Title IV HEA funds no later than 240 days (previously 180 days) after checks containing such funds are written.
<b>Condition</b>	Our review of 20 outstanding student checks containing Title IV HEA funds disclosed that as of August 28, 2008, 8 of the 20 checks were outstanding, 329 to 392 days after the checks were written. Although the institution had implemented procedures to identify outstanding checks containing Title IV HEA funds, the institution had not returned applicable funds to the Federal programs and lenders.
<b>Cause</b>	The institution had not fully implemented adequate procedures to timely return Title IV HEA funds to the applicable Federal program or lenders.
<b>Effect</b>	The institution may be allowing Title IV HEA funds to be used for purposes other than that for which they are intended.
<b>Recommendation</b>	The institution should implement procedures to timely return outstanding checks containing Title IV HEA funds to the applicable Federal programs or lenders, no later than 240 days after the date the check was issued. Additionally, the institution should return \$9,038.75 (\$3,951.10 FFEL subsidized; \$1,810.60 FFEL unsubsidized; \$2,152.05 PELL; and \$1,125 ACG) to the applicable Federal programs and lenders.
<b>FAMU Response and Corrective Action Plan</b>	The University identified the stale dated checks within Title IV HEA funds. All funds have been returned to the proper Title IV programs. To ensure the timely return of funds to Title IV HEA programs, the University revised its procedure to return stale dated checks at the end of each semester effective Fall 2008.
<b>Estimated Corrective Action Date</b>	September 30, 2008
<b>FAMU Contact and Telephone Number</b>	Marcia Boyd, Director of Financial Aid and Scholarships (850) 412-5278

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-093</b>
<b>CFDA Number</b>	84.007 and 84.063
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Supplemental Educational Opportunity Grants (FSEOG) Federal Pell Grant Program (PELL)
<b>Compliance Requirement</b>	Cash Management – Prohibition on Escheating of Title IV Higher Education Act (HEA) Funds
<b>State Educational Entity</b>	<b>Miami Dade College (MDC)</b>
<b>Finding Type</b>	Noncompliance
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-082
<b>Finding</b>	The institution's procedures during the 2007-08 award year were not adequate to ensure the timely return of unclaimed Title IV HEA funds to applicable Federal programs.
<b>Criteria</b>	34 CFR 668.164(h)(2), Subpart K, <i>Cash Management, Disbursing Funds</i>  According to the U.S. Department of Education, institutions are prohibited from allowing Title IV HEA funds to revert (or "escheat") to a third-party, State, or institutional coffers, and Florida institutions must return unclaimed Title IV HEA funds no later than 240 days (previously 180 days) after checks containing such funds are written.
<b>Condition</b>	Our review of the institution's June 30, 2008, list of unnegotiated checks disclosed 15 checks containing \$10,021.99 of Title IV HEA funds (\$9,221.99 PELL and \$800 FSEOG) that had not been timely returned to the applicable Title IV HEA programs. The institution's attempts to disburse the funds to students were through a combination of electronic fund transfers (EFT), for which a third-party processor was used, and checks. Through this combination of checks and EFTs, the institution made three attempts to disburse the funds to five of the students, and two attempts were made for the remaining ten students. The Title IV HEA funds (checks and EFTs) remained unnegotiated from 260 to 1,162 days.  Subsequent to the end of the fiscal year, in July 2008, and as part of the implementation of modified procedures that included voiding unnegotiated checks and returning Title IV HEA funds every four months, the institution returned \$7,219.25 (\$800 FSEOG and \$6,419.25 PELL), which was 607 to 1,162 days late for 10 of the 15 checks. The five remaining checks, totaling \$2,802.74 PELL, were checks or EFTs that had been reissued from 127 to 189 days after the date of the first issue, and, while ultimately cashed by the students, were unnegotiated from 260 to 680 days after the first issue date. Since the institution reissued the checks or EFTs, they were outstanding an additional 71, 158, 478, 523, and 553 days from the reissue dates. It is not clear why the institution would reissue checks that were not subsequently cashed timely and not negotiated for the additional 71 to 553 days, which resulted in these checks being outstanding for a total of 260 to 680 days from the first issue date. Although it was allowable to reissue the five checks because 240 (previously 180 days) days had not elapsed, the assumption on a reissue is that the student had been located and the reissued check would be cashed in a reasonable amount of time. The date of the reissue does not restart the number of days which are allowed to clear outstanding checks.
<b>Cause</b>	The institution's procedures were not adequate to return unnegotiated checks containing Title IV HEA funds to the applicable Federal programs within the timeframe specified by Federal regulation, because it did not believe that it was required to return such funds within 180 days. Additionally, the new procedures implemented after the end of the fiscal year failed to take into account reissued checks.

<b>Effect</b>	The institution may be allowing Title IV HEA funds to be used for purposes other than that for which they are intended.
<b>Recommendation</b>	The institution should continue its efforts to enhance and implement procedures to return unnegotiated Title IV HEA funds to the applicable Federal programs.
<b>MDC Response and Corrective Action Plan</b>	<p>Based on consultation with USED and the receipt of two Final Determination letters for the past three years regarding this issue, the College is confident its process of returning such funds on an annual basis was in compliance with both state statute and Federal regulations in place through June, 2008. Recently the College outsourced the processing of its student disbursements to streamline processes and enable students to access their refunds faster. This process returns involves an electronic payment to a third-party processor who in turn, allows students to select the method by which they wish to receive their refund. In some cases, students do not claim their refunds or cannot be located resulting in the former manual check process, for which the College continued to return unclaimed checks annually through June, 2008.</p> <p>The College revised its procedures effective July 1, 2008, to comply with new U.S. Department of Education regulations requiring unclaimed Title IV HEA funds to be returned to the applicable program within 240 days after monies are disbursed. In this review, the auditors have outlined a more stringent calculation of the days a series of disbursements among multiple entities is outstanding that will require additional modifications. These modifications will be completed by February 28, 2009 to ensure full compliance with the interpretation of the new regulations in an effort to bring final closure to this ongoing audit issue.</p>
<b>Estimated Corrective Action Date</b>	February 28, 2009
<b>MDC Contact and Telephone Number</b>	Gregory Knott, AVP - Accounting and Student Services (305) 237-0399

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-094</b>
<b>CFDA Number</b>	84.375 and 84.376
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Academic Competitiveness Grants (ACG) National Science and Mathematics Access to Retain Talent Grants (SMART) Program
<b>Compliance Requirement</b>	Eligibility – Overawards
<b>State Educational Entity</b>	<b>University of North Florida (UNF)</b>
<b>Finding Type</b>	Noncompliance Questioned Costs – \$10,141 (\$8,841 SMART and \$1,300 ACG)
<b>Finding</b>	The institution disbursed Title IV Higher Education Act (HEA) funds to ineligible students.
<b>Criteria</b>	34 CFR 691.15(b)(iii)(C), 691.15(c)(3) <i>Eligibility to Receive a Grant</i>
<b>Condition</b>	For 1 of 2 students tested that were disbursed SMART grant funds, we noted that the student was disbursed a \$2,000 award for the Fall 2007 term, although, the student's grade point average (GPA) entering the term was below the required 3.0 on a 4.0 scale. Subsequent to audit inquiry, the institution identified 4 other students (3 SMART recipients (\$6,841) and 1 ACG recipient (\$1,300)) that were also ineligible for the Fall 2007 term (2 students) or were ineligible for both the Fall 2007 and the Spring 2008 terms (2 students). Subsequent to audit inquiry, on August 1, 2008, the institution returned \$10,141 to the applicable programs.
<b>Cause</b>	When processing Spring 2008 awards, the institution awarded the students for Spring 2008 and retroactively for Fall 2007. The institution based the Fall 2007 term award on the cumulative GPA after the Fall 2007 term was over instead of using the cumulative GPA prior to the beginning of the Fall 2007 term. As a result, the students were not eligible for the Fall 2007 term award because their respective GPAs were below 3.0.
<b>Effect</b>	When institutions award Title IV HEA funds to ineligible students, funds may not be available for eligible students and institutions may be required to return institutional funds to the Federal program.
<b>Recommendation</b>	The institution should strengthen its procedures to ensure that awards of Title IV HEA funds are properly determined, monitored, and documented. The institution should also strengthen its procedures for monitoring changes to student awards during the year to ensure that students are not subsequently overawarded.
<b>UNF Response and Corrective Action Plan</b>	UNF has utilized the user defined fields in the SCT Banner Software Program to record the GPAs by term. The rules written in Banner for awarding and disbursing these programs will read these GPAs by term to ensure that the student is eligible for the program for that term. UNF also created a job to determine renewal criteria for these programs and records that status on the user defined fields to ensure that students are not awarded or disbursed funds from these accounts who do not meet the eligibility requirements. All funds have been repaid to the appropriate programs.
<b>Estimated Corrective Action Date</b>	December 1, 2008
<b>UNF Contact and Telephone Number</b>	Janice Nowak, Director of Compliance, Technology and Training (904) 620-1043

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-095</b>
<b>CFDA Number</b>	84.007, 84.032, 84.033, 84.063 and 84.375
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Supplemental Educational Opportunity Grants (FSEOG) Federal Family Education Loans (FFEL) Federal Work-Study Program (FWS) Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL) Academic Competitiveness Grants (ACG)
<b>Compliance Requirement</b>	Eligibility – Satisfactory Academic Progress (SAP)
<b>State Educational Entity</b>	<b>St. Petersburg College (SPC)</b>
<b>Finding Type</b>	Noncompliance
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-086
<b>Finding</b>	The institution's Satisfactory Academic Progress (SAP) policies and procedures did not meet Federal requirements.
<b>Criteria</b>	34 CFR 668.16(e), <i>Satisfactory Academic Progress</i>  Federal regulations require that students demonstrate satisfactory academic progress to be eligible to receive Title IV HEA funds. For an undergraduate program, the institution's SAP policy must include a quantitative component that requires the student's attempted hours as a percentage of earned hours to be at least 67 percent, but no more than 150 percent, of the published length of the educational program.
<b>Condition</b>	The institution's SAP policy did not comply with Federal regulations.
<b>Cause</b>	The institution's SAP policy during the 2007-08 award year did not include the quantitative component required by Federal regulations. In November 2007, the institution revised its SAP policy to be in compliance with Federal regulations. The institution is implementing the revised policy for the 2008-09 award year.
<b>Effect</b>	There may be students who received Title IV HEA funds that did not meet SAP requirements and were therefore ineligible for the Title IV HEA funds received.
<b>Recommendation</b>	The institution should ensure the revised SAP policy is in place for the 2008-09 award year as indicated in their Summary Schedule of Prior Audit Findings' response.
<b>SPC Response and Corrective Action Plan</b>	The SAP policy for SPC has been revised and approved by the U.S. Department of Education (USED) in February 2008. The SAP review is done annually at SPC and was applied at the end of the summer term in July 2008, for the 2008-09 award year. Based on guidance received from the USED, we extended the review to include the summer term instead of running it at the end of spring term, as we had in the past, to include the entire academic year within the review.
<b>Estimated Corrective Action Date</b>	July 2008
<b>SPC Contact and Telephone Number</b>	Dr. Tonjua Williams, Vice President Academic and Student Affairs (727) 341-3344  Marcia R. McConnell, M.Ed., Director, Financial Assistance Services (727) 302-6800

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-096</b>
<b>CFDA Number</b>	84.032 and 84.038
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Family Education Loan (FFEL) Federal Perkins Loan Program (FPL)
<b>Compliance Requirement</b>	Special Test and Provisions – Disbursements – Loan Notifications
<b>State Educational Entity</b>	<b>Various</b>
<b>Finding Type</b>	Noncompliance
<b>Finding</b>	Three institutions did not always document the required notification, of FFEL or FPL student or parent loan borrowers, within 30 days before or after crediting a student's account with FFEL funds.
<b>Criteria</b>	34 CFR 668.165, <i>Notices and Authorizations</i>
<b>Effect</b>	Because incurring a loan obligation is a serious responsibility, a borrower must be given the opportunity to cancel the loan at, or close to, the time the funds are actually disbursed and the debt incurred. Without notification of the right to cancel a loan, there is an increased risk that a borrower may incur unnecessary debt.  <b><u>Florida Agricultural and Mechanical University (FAMU)</u></b>
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-081, Report No. 2007-146, Finding No. FA 06-094, and Report No. 2006-152, Finding No. FA 05-100
<b>Condition</b>	Effective August 31, 2007, the institution implemented a procedure to generate a list of FFEL student loan borrowers by disbursement date. The students listed were mailed the required loan notification letter, and the students receiving the notifications in the disbursement period were recorded on a mail log. However, 11 of the 17 FFEL student loan borrowers tested were not included on the FFEL student loan borrowers' list and the institution was unable to provide documentation that the required notifications were sent to the FFEL student or parent loan borrowers, as applicable.
<b>Cause</b>	The process used to identify FFEL borrowers did not function as intended and as a result, did not identify all FFEL student loan borrowers for the institution to provide the required notifications.
<b>Recommendation</b>	The institution should enhance their procedures to ensure that FFEL student or parent loan borrowers receive the required notification electronically or in writing, no earlier than 30 days before and no later than 30 days after crediting a student's account with FFEL funds.
<b>FAMU Response and Corrective Action Plan</b>	The Office of Student Financial Services followed the procedures for notifying students of their rights to cancel all or a portion of the Federal Loans (Federal Subsidized or Unsubsidized, PLUS, or Federal Perkins) within 14 days of disbursement. The query used to create letters to students was developed by Enterprise Information Technology (EIT) staff. During the 2007-08 academic year, the EIT staff reviewed the query and found a small group of borrowers omitted from the query because the address tables were not joining tables in the query correctly. The query has been reviewed and modified by EIT to select all students with loan disbursements. This action will resolve this issue.
<b>Estimated Corrective Action Date</b>	September 30, 2008
<b>FAMU Contact and Telephone Number</b>	Marcia Boyd, Director of Financial Aid and Scholarships (850) 412-5278

**Florida International University (FIU)**

<b>Condition</b>	The institution did not have procedures to notify the student or parent in writing, or electronically, when FFEL or FPL funds were credited to the students' or parents' accounts.
<b>Cause</b>	The institution did not have procedures implemented, due to ongoing upgrades to a new system that were not fully functioning as intended.
<b>Recommendation</b>	The institution should continue efforts to enhance procedures to ensure that FFEL and FPL student or parent loan borrowers receive the required notification electronically or in writing, no earlier than 30 days before and no later than 30 days after crediting a student or parents' account with FFEL or FPL funds.
<b>FIU Response and Corrective Action Plan</b>	<p>The Office of Financial Aid has implemented procedures to notify students and/or parents in writing, or electronically, when FFEL, DL and/or FPL funds are credited to their accounts. The unit has taken the following steps to ensure notification is sent to students/parents in timely fashion:</p> <p>By mid October, the Financial Aid Office had identified all federal loan recipients for Fall 2008 whose loans had been disbursed and notified them that they had the right to cancel/return all or a portion of their loan within 14 days of the date of the notification sent. Students/parents were provided specific instructions as to how to cancel/return all or a portion of their loans. Subsequent to this first identification round, all new loan disbursements were identified on a weekly basis and the required notification was sent to students and/or parents.</p> <p>Beginning mid December, Financial Aid enhanced this process to generate the required notification after each batch disbursement which is typically three times a week. All notifications are stored and maintained electronically.</p>
<b>Estimated Corrective Action Date</b>	Completed
<b>FIU Contact and Telephone Number</b>	Francisco Valines, Director of Financial Aid (305) 348-2333

**University of North Florida (UNF)**

<b>Condition</b>	For 1 of 5 students tested, we noted that the required notification for a Fall 2007 FFEL disbursement was not sent to the student. Additionally, none of the other 152 students on the same EFT disbursement roster dated October 31, 2007, received the required notification. Subsequent to audit inquiry, the institution identified a second EFT disbursement roster dated November 14, 2007, with 120 students for which the required notifications were not sent.
<b>Cause</b>	The institution did not follow its procedures for the disbursement rosters noted. Although the two EFT disbursement rosters were generated, the required notifications were not sent to the applicable students.
<b>Recommendation</b>	The institution should strengthen its monitoring procedures to ensure full compliance with Federal regulations.
<b>UNF Response and Corrective Action Plan</b>	The university has established a logging system when the job runs to generate the notification letter. These logs are reviewed bi-weekly by the Associate Director of Enrollment Services Processing Financial Aid and the Enrollment Services Compliance, Technology and Training department to ensure that all students who appear on the EFT (electronic fund transfer) roster are properly notified.
<b>Estimated Corrective Action Date</b>	December 1, 2008
<b>UNF Contact and Telephone Number</b>	Janice Nowak, Director of Compliance, Technology and Training (904) 620-1043

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-097</b>
<b>CFDA Number</b>	84.063
<b>Program Title</b>	<b>Student Financial Assistance Cluster</b> Federal Pell Grant Program (PELL)
<b>Compliance Requirement</b>	Special Tests and Provisions – Disbursements – Common Origination and Disbursement (COD) System
<b>State Educational Entity</b>	<b>Various</b>
<b>Finding Type</b>	Noncompliance
<b>Finding</b>	For three institutions the PELL disbursement date in the institutions' records did not always agree with the U.S. Department of Education (USED) Common Origination and Disbursement (COD) System's disbursement date as required by USED regulations and technical references.
<b>Criteria</b>	34 CFR 690.83, <i>Submissions of Reports</i> ; COD technical reference  The USED COD is a streamlined method for processing, storing, and reconciling Federal Pell Grant financial aid information. COD defines the disbursement date as the date cash was credited to the student's account or paid to the student directly.
<b>Effect</b>	The level of PELL authorization for an institution is affected by the accuracy with which the PELL information is reported to COD.
	<b><u>Florida Agricultural and Mechanical University (FAMU)</u></b>
<b>Condition</b>	For 15 PELL recipients tested, disbursement dates in the COD reporting system were incorrectly reported by the institution. The disbursement dates reported in COD were 4 to 58 days before the actual disbursement dates.
<b>Cause</b>	The institution's procedures were not adequate to ensure accurate information was reported to COD. The institution's system initially recorded the end of the drop or add date on the COD system instead of the actual disbursement date, and the institution did not subsequently correct the COD file to reflect the actual date of disbursement.
<b>Recommendation</b>	The institution should review its procedures to ensure that information provided to USED through COD is accurate.
<b>FAMU Response and Corrective Action Plan</b>	The University has established procedures to ensure the Pell disbursement date in the institution's record agrees with the U.S. Department of Education Common Origination and Disbursement (COD) system's disbursement date. An update was made to the set up table in the student information system (PeopleSoft) for PELL payments to COD to reflect the actual date of disbursement effective October 10, 2008.
<b>Estimated Corrective Action Date</b>	October 10, 2008
<b>FAMU Contact and Telephone Number</b>	Marcia Boyd, Director of Financial Aid and Scholarships (850) 412-5278
	<b><u>Central Florida Community College (CFCC)</u></b>
<b>Condition</b>	For 7 of 10 Pell recipients tested (8 disbursements), the disbursement dates reported in COD were 17 to 49 days prior to the actual disbursement dates for 3 disbursements, and 6 days after the actual disbursement dates for 5 disbursements, during the 2007-08 award year.
<b>Cause</b>	The institution had not implemented adequate procedures to reconcile the PELL disbursement dates reported to COD with the institution's own disbursement records.

<b>Recommendation</b>	The institution should enhance its procedures to ensure that the information provided to USED through COD is accurate.
<b>CFCC Response and Corrective Action Plan</b>	The College will enhance its procedures to ensure accuracy in technical reporting. The corrective action to be taken will encompass additional programming to the college's operating system (Jenzabar) to report only actual disbursements in COD. This action will occur as soon as possible.
<b>Estimated Corrective Action Date</b>	As soon as possible.
<b>CFCC Contact and Telephone Number</b>	James Harvey, Senior Vice President (352) 237-2111
<b><u>St. Petersburg College (SPC)</u></b>	
<b>Condition</b>	For 21 of 22 PELL recipients tested, disbursement dates in the COD reporting system were incorrectly reported by the institution. The disbursement dates reported in COD were 8 to 70 days prior to the actual disbursement date during the Spring 2008 term.
<b>Cause</b>	The institution had not implemented adequate procedures to reconcile the PELL disbursement dates initially reported in the COD with the institution's subsequent actual disbursement dates.
<b>Recommendation</b>	The institution should review its procedures to ensure that information provided to USED through COD is accurate.
<b>SPC Response and Corrective Action Plan</b>	SPC has reviewed its procedures to ensure that accurate data is transmitted to COD; changes have been made and tested within PeopleSoft to ensure the dates reported are the same dates as the disbursements for the 2008-09 award year. SPC is a Just In Time Pilot school with regards to the Federal Pell Grant program. The college is investigating moving away from Just In Time to an Advance Payment school for the 2009-10 academic year.
<b>Estimated Corrective Action Date</b>	August 2008
<b>SPC Contact and Telephone Number</b>	Marcia R. McConnell, M. Ed, Director, Financial Assistance Services (727) 302-6800

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-098</b>
<b>CFDA Number</b>	84.032 and 84.063
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL)
<b>Compliance Requirement</b>	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds (Official Withdrawals)
<b>State Educational Entity</b>	<b>Various</b>
<b>Finding Type</b>	Noncompliance Questioned Costs – \$325.51 FFEL unsubsidized and \$611 PELL
<b>Finding</b>	Three institutions did not always accurately calculate and, within 45 days of the students' withdrawal, timely return Title IV HEA funds to the applicable Federal lenders for those students who officially withdrew prior to the 60 percent point of the payment period.
<b>Criteria</b>	34 CFR 668.22, <i>Treatment of Title IV Funds When a Student Withdraws</i>
<b>Effect</b>	The institution retained unearned Title IV HEA funds that should have been returned to the applicable Federal lenders. Additionally, the institution returned funds in excess of the amounts that were unearned.
	<b><u>Florida International University (FIU)</u></b>
<b>Condition</b>	For three of ten students tested that officially withdrew from the institution during the Fall 2007 term, and received Title IV HEA funds, the institution returned \$2,978.78 FFEL (\$1,640.27 subsidized and \$1,338.51 unsubsidized) of unearned Title IV HEA funds 34, 93, and 107 days late. Also, for four of the ten students (4 other students) the returns were miscalculated, resulting in de minimus overpayments to the PELL program and FFEL lenders.
<b>Cause</b>	Institution staff indicated that they were unable to follow their procedures to ensure the accurate and timely calculation of unearned funds to Title IV HEA programs and lenders because all resources, normally devoted to return of Title IV HEA funds processing, were diverted to a request by the United States Department of Education (USED). As a result of an audit finding reported in report no. 2007-146, finding no. FA 06-097, USED required the institution to reevaluate all unofficial withdrawals during the 2005-06 award year and by November 1, 2007, provide the information to USED to determine liability.
<b>Recommendation</b>	The institution should follow their procedures and ensure that procedures are adequate for the accurate calculation and timely return of unearned Title IV HEA funds to applicable Federal programs and lenders for students that officially withdrew.
<b>FIU Response and Corrective Action Plan</b>	<p>The reason for a delay in returning funds for three students is that on August 2007, the U.S. Department of Education requested that the University re-evaluate the R2T4 calculation due to the fiscal year 2005-2006 audit finding that was noted by the Auditor General's Office in the Federal Awards Audit. This recalculation was completed by applying the expanded scope of review. The re-examination was completed by October 2007. Since this request took priority, the normal process for reviewing students for Fall 2007 return of funds was not completed until a later date.</p> <p>A comprehensive calendar, with due dates and timelines, has been created to meet federal requirements for the timely calculation and return of federal funds. The production calendar is reviewed weekly and a report of all Return of Title IV activities is generated and reviewed by the director on a monthly basis. These safeguards will ensure the timely calculation and return of federal funds.</p>

The university believes the miscalculation of these four students resulted from its reasonable interpretation of 34 CFR 668.22(f) (2) (i). This regulation states that "...if classes were taught on either weekend day prior to the scheduled break, those days would be included rather than excluded" from the calculation of total days of instruction. The university offers instruction on Saturdays and thus the Office of Financial Aid included both Saturday and Sunday, prior to the scheduled break, in its calculation of total days of instruction. This regulation specifically states that:

Determining the length of a scheduled break: Determine the last day that class is held before a scheduled break – the next day is the first day of the scheduled break. The last day of the scheduled break is the day before the next class is held. Where classes end on a Friday and do not resume until Monday following a one week break, both weekends (four days) and the five weekdays would be excluded from the Return calculation. (The first Saturday, the day after the last class, is the first day of the break. The following Sunday, the day before classes resume, is the last day of the break.) If classes were taught on either weekend for the programs that were subject to the scheduled break, those days would be included rather than excluded.

The university has requested clarification from the U.S. Department of Education as to whether, in the future, it should include both Saturday and Sunday, prior to a scheduled break, to calculate total days of instruction when it offers instruction only on Saturdays. Until further clarification is received from the U.S. Department of Education, the Office of Financial Aid will accept the recommendation to exclude the Sunday prior to the scheduled break from the calculation of total days of instruction.

**Estimated Corrective  
Action Date**

Completed

**FIU Contact and  
Telephone Number**

Francisco Valines, Director of Financial Aid  
(305) 348-1124

**St. Petersburg College (SPC)**

**Prior Year Finding**

Report No. 2008-141, Finding No. FA 07-087

**Finding**

The institution did not always accurately calculate the amount of Title IV HEA funds to be returned for those students who officially withdrew prior to the 60 percent point of the payment period.

**Criteria**

34 CFR 668.22, *Treatment of Title IV Funds When a Student Withdraws*

**Condition**

For 4 of 15 students tested that officially withdrew from the institution during the Spring 2008 term and received Title IV HEA funds, the returns were miscalculated due to the institution using incorrect amounts for institutional costs. In August 2008, subsequent to audit inquiry, the institution returned \$325.51 of unsubsidized FFEL funds to the lenders.

**Cause**

The institution did not follow its procedures to ensure the accurate calculation of unearned funds to Title IV HEA lenders.

**Recommendation**

The institution should enhance its procedures to ensure the accurate calculation of unearned Title IV HEA funds to applicable Federal programs and lenders for students that officially withdraw. In addition, the institution should review the institutional costs used for all return of Title IV HEA calculations for the 2007-08 award year and return Title IV HEA funds to the applicable Federal programs or lenders.

<b>SPC Response and Corrective Action Plan</b>	SPC has enhanced our procedures to ensure the accurate calculation of unearned Title IV funds is used by the staff. SPC has reviewed the institutional costs used for all return of Title IV calculations for the 2007-08 award year and returned all funds to the applicable Federal programs or lenders.
<b>Estimated Corrective Action Date</b>	August 2008
<b>SPC Contact and Telephone Number</b>	Marcia R. McConnell, M. Ed, Director, Financial Assistance Services (727) 302-6800
	<b><u>Seminole Community College (SCC)</u></b>
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-087
<b>Condition</b>	<p>Of the 15 students tested that officially withdrew from the institution during the 2007-08 academic year, and received Title IV HEA funds, we noted the following:</p> <ul style="list-style-type: none"> <li>• For 2 of the 15 students, the institution returned to the PELL program \$1,104.70 of unearned Title IV HEA funds 31 and 52 days late.</li> <li>• Also, for one of the two students, as a result of a miscalculation, \$611 is due to the PELL grant program and as of November 24, 2008, the funds had not been returned, 331 days late.</li> <li>• For 5 of the 15 students (4 other students and 1 of the students above) the returns for the Fall 2007 term were miscalculated, resulting in de minimus overpayments to the PELL program and FFEL lenders.</li> </ul>
<b>Cause</b>	The institution did not deduct a five-day break in the Fall 2007 term which resulted in miscalculated returns and also, processing delays resulted in some untimely returns.
<b>Recommendation</b>	The institution should enhance its procedures to ensure the accurate calculation and timely return of unearned Title IV HEA funds to applicable Federal programs and lenders for students that officially withdraw. Also, the institution should return \$611 to the PELL grant program.
<b>SCC Response and Corrective Action Plan</b>	<p>In order to assure the accurate calculation of repayment for students who withdraw, the institution has addressed the issue of the 5-day winter break and has adjusted the Return of Title IV calendar accordingly. Each of the Return of Title IV calculations done for the current year, Fall 2008, has been reviewed for accuracy and corrected if necessary.</p> <p>In the instance of the \$611 Pell Grant Discrepancy, it was found that this discrepancy occurred from a miscalculation of a post-withdrawal disbursement. The funds were returned to the program through the Common Origination/Disbursement system on December 1, 2008, and a copy of the documentation to confirm adjustment AD2008120113143 was provided to the on-site auditor. A process of internal validation of the post-withdrawal disbursements has been implemented whereby two employees check the accuracy of the calculation.</p> <p>The institution has changed policies to utilize the calculation dates used for official withdrawals as opposed to utilizing last dates of attendance. A review of this change for current term (Fall 08) students has been performed and adjustments have been made when necessary.</p>
<b>Estimated Corrective Action Date</b>	Spring 2009
<b>SCC Contact and Telephone Number</b>	Robert Lynn, Director, Student Financial Resources (407) 708-2044

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-099</b>
<b>CFDA Number</b>	84.032
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Family Education Loans ( FFEL)
<b>Compliance Requirement</b>	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds – Unofficial Withdrawals
<b>State Educational Entity</b>	<b>Florida Atlantic University (FAU)</b>
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$1,178.42 FFEL subsidized
<b>Finding</b>	The institution had not implemented adequate procedures to determine, within 30 days after the end of the payment period, whether Title IV HEA funds were earned for students who ceased attendance without providing official notification to the institution of their withdrawal. As a result, the institution did not timely identify, calculate, and return (within 45 days) unearned Title IV HEA funds to the applicable Federal programs for those students who unofficially withdrew prior to the 60 percent point of the payment period.
<b>Criteria</b>	34 CFR 668.22, <i>Treatment of Title IV funds when a student withdraws</i>
<b>Condition</b>	For 2 of 10 students tested who unofficially withdrew and received Title IV HEA funds during the Fall 2007 term, the institution did not maintain documentation to support attendance past the 60 percent point of the payment period. The institution did not timely identify these students as unofficial withdrawals, nor timely return the unearned funds to the applicable Federal program. Subsequent to audit inquiry, 205 and 233 days late, the institution calculated the returns totaling \$1,178.42 subsidized FFEL, and returned the funds on August 14, 2008, (\$673.38) and September 5, 2008, (\$505.04).
<b>Cause</b>	The institution relies on faculty to accurately identify students and note the last date of attendance when inputting the final grades for students who unofficially withdraw. Maintenance of the records supporting attendance is not centralized once the term is completed, and therefore, not archived. As a result, there is an increased risk that subsequent to the end of the term, the records will not be available to support the coding input by faculty because faculty may be on leave or may have terminated and the records were not archived.
<b>Effect</b>	The institution retained unearned Title IV HEA funds that should have been returned to the applicable Federal programs and lenders.
<b>Recommendation</b>	The institution should enhance its procedures to ensure the accurate and timely identification, calculation, and return of unearned Title IV HEA funds to the applicable Federal programs and lenders.
<b>FAU Response and Corrective Action Plan</b>	In order to assure accurate reporting of students, grades and attendance, FAU will begin to obtain statistical data from Blackboard, a university supported faculty software tool. It will store course data for 3 years on campus.  In addition, a university task force (including faculty and administrators) has been created to review university policies and procedures related to attendance and withdrawal issues. The committee will develop recommended actions for enhancing record-keeping in relation to student attendance.
<b>Estimated Corrective Action Date</b>	June 30, 2009
<b>FAU Contact and Telephone Number</b>	Carole Pfeilsticker, Student Financial Aid Director (561) 297-3528

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-100</b>
<b>CFDA Number</b>	84.032 and 84.063
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL)
<b>Compliance Requirement</b>	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds (Unofficial Withdrawals)
<b>State Educational Entity</b>	<b>St. Petersburg College (SPC)</b>
<b>Finding Type</b>	Noncompliance Questioned Costs – \$468.96 (\$359.22 FFEL unsubsidized and \$109.74 PELL)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-088
<b>Finding</b>	The institution did not always accurately calculate the amount of Title IV HEA funds to be returned for those students who unofficially withdrew prior to the 60 percent point of the payment period.
<b>Criteria</b>	34 CFR 668.22, <i>Treatment of Title IV Funds When a Student Withdraws</i>
<b>Condition</b>	For 3 of 15 students tested that unofficially withdrew from the institution during the Spring 2008 term and received Title IV HEA funds, the returns were miscalculated due to the institution using incorrect amounts for institutional costs. In August 2008, subsequent to audit inquiry, the institution returned unsubsidized FFEL funds totaling \$359.22 and PELL funds totaling \$109.74 to the Federal lenders and program.
<b>Cause</b>	The institution did not follow its procedures to ensure the accurate calculation of unearned funds to Title IV HEA lenders and program.
<b>Effect</b>	The institution retained unearned Title IV HEA funds that should have been returned to the applicable Federal lenders and program.
<b>Recommendation</b>	The institution should enhance its procedures to ensure the accurate calculation of unearned Title IV HEA funds to applicable Federal lenders and programs for students that unofficially withdraw. In addition, the institution should review the institutional costs used for all return of Title IV HEA calculations for the 2007-08 award year and return Title IV HEA funds to the applicable Federal lenders and programs.
<b>SPC Response and Corrective Action Plan</b>	SPC has enhanced our procedures to ensure the accurate calculation of unearned Title IV funds is used by the staff. SPC has reviewed the institutional costs used for all return of Title IV calculations for the 2007-08 award year and returned all funds to the applicable Federal programs or lenders.
<b>Estimated Corrective Action Date</b>	August 2008
<b>SPC Contact and Telephone Number</b>	Marcia R. McConnell, M. Ed, Director, Financial Assistance Services (727) 302-6800

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-101</b>
<b>CFDA Number</b>	84.032 and 84.063
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL)
<b>Compliance Requirement</b>	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds – Nonattendance
<b>State Educational Entity</b>	<b>St. Petersburg College (SPC)</b>
<b>Finding Type</b>	Noncompliance Questioned Costs – \$4,935 (\$1,750 FFEL subsidized; \$2,000 FFEL unsubsidized; and \$1,185 PELL)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-085
<b>Finding</b>	The institution did not always document attendance in at least one class for students who received Title IV HEA funds and received all failing, incomplete, and withdraw grades.
<b>Criteria</b>	34 CFR 668.21 and 682.604(d), <i>Treatment of Federal Perkins Loan, FSEOG, Federal Pell Grant, ACG, and National Smart Program Funds if the Recipient Withdraws, Drops Out, or is Expelled Before His or Her First Day of Class and Processing the Borrower's Loan Proceeds</i>
<b>Condition</b>	For 1 of 30 students tested that received Title IV HEA funds during the Spring 2008 term, the institution did not document attendance in at least one class. Absent documentation evidencing that the student attended at least one class, the student was not eligible for FFEL loan or PELL funds totaling \$4,935 (\$1,750 FFEL subsidized; \$2,000 FFEL unsubsidized; and \$1,185 PELL). The institution returned \$790 of PELL funds in February 2008, and \$109.74 of FFEL unsubsidized loan funds in June 2008. In August 2008, subsequent to audit inquiry, the institution returned the remaining funds totaling \$4,035.26 (\$1,750 FFEL subsidized; \$1,890.26 FFEL unsubsidized; and \$395 PELL).
<b>Cause</b>	An automatic nightly programming process was not put into production as expected in January 2008. In early February 2008, the institution determined the program was not running and implemented the process. During the time the program was not run, the institution manually identified students as no shows.
<b>Effect</b>	The institution retained unearned Title IV HEA funds that should have been returned to the applicable Federal lender and program.
<b>Recommendation</b>	The institution should strengthen its procedures to identify all students who did not attend at least one class and return unearned Title IV HEA funds to applicable Federal lenders or programs.
<b>SPC Response and Corrective Action Plan</b>	SPC has strengthened our procedures to identify all students who do not attend at least one class and return unearned Title IV funds to the applicable Federal lenders or programs. The one student, who was identified above, occurred due to a human input error prior to the institution running the automatic nightly programming process identifying no show students reported by faculty.
<b>Estimated Corrective Action Date</b>	February 2008
<b>SPC Contact and Telephone Number</b>	Dr. Tonjua Williams, Vice President Academic and Student Affairs (727) 341-3344

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-102</b>
<b>CFDA Number</b>	84.032 and 84.063
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Family Education Loans (FFEL) Federal Pell Grant Program (PELL)
<b>Compliance Requirement</b>	Special Tests and Provisions – Disbursements – National Student Loan Data System (NSLDS) - Mid-Year Transfer Monitoring
<b>State Educational Entity</b>	<b>Miami Dade College (MDC)</b>
<b>Finding Type</b>	Noncompliance
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-091
<b>Finding</b>	The institution did not always inform NSLDS of mid-year transfer students. Additionally, the institution did not accurately state the status of a similar finding in the Summary Schedule of Prior Audit Findings (SSPAF)
<b>Criteria</b>	34 CFR 668.19(b), <i>Financial Aid History</i>  The institution is required to inform NSLDS of mid-year transfer students, including those students for whom the institution accesses NSLDS directly, so NSLDS can continue monitoring the student for any subsequent relevant changes. The institution may inform NSLDS about a student at any time it determines that a student may be transferring to the school and seeking Title IV HEA aid, but it must do so prior to disbursing any Title IV HEA aid to the student.  OMB Circular A-133, §____.500(e), <i>Audit Follow-up</i>
<b>Condition</b>	For 2 of 10 students tested that transferred to the institution mid-year, the institution did not inform NSLDS of the transfers. The students received Title IV Higher Education Act (HEA) funds totaling \$9,933 (\$8,620 PELL and \$1,313 FFEL unsubsidized).  A similar finding was noted in report No. 2008-141, finding No. FA 07-091, for which the institution, in the 2007-08 fiscal year SSPAF, indicated a status of "Fully Corrected." However, as noted in the previous paragraph, the institution still had not established adequate procedures to comply with the NSLDS Mid-Year Transfer Monitoring Process.
<b>Cause</b>	The students were not timely identified and reported due to the institution's computer programming schedule that was not reporting mid-year transfer students as frequently as required.
<b>Effect</b>	Although the students were not overawarded, when NSLDS is not informed of mid-year transfers, students may receive Title IV HEA funds for which they are not eligible because they may have received Title IV HEA funds from the prior institution and the current institution would be uninformed. Further, by providing information to NSLDS of mid-year transfer students, the institution allows NSLDS to monitor and inform the institution of any subsequent relevant changes in a student's financial aid history before and after making a disbursement at the second institution. Also, inaccurate responses on the SSPAF may result in incorrect decisions by the Federal awarding agency.
<b>Recommendation</b>	The institution should resolve the computer programming issue to ensure that NSLDS is informed of all mid-year transfer students prior to disbursing Title IV HEA funds by using the NSLDS Student Transfer Monitoring Process. Also, the institution should accurately report the status of prior year findings on the SSPAF.
<b>MDC Response and Corrective Action Plan</b>	Prior program modifications were successful however it was noted that the program did not execute on a timely basis for a period of time due to human error. The scheduling error has since been rectified.

It should be noted that, in addition to system modifications, the College continues to closely monitor the Multiple Reporting Records (MRR) reports provided by the Department of Education, and through this secondary control, amounts noted in the audit sample did not include any overpayments.

**Estimated Corrective  
Action Date**

Completed

**MDC Contact and  
Telephone Number**

Gregory Knott, AVP-Accounting and Student Services  
(305) 237-0399

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-103</b>
<b>CFDA Number</b>	84.032
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Family Education Loans ( FFEL)
<b>Compliance Requirement</b>	Special Tests and Provisions – Student Status Changes – National Student Loan Data System (NSLDS) Roster Files
<b>State Educational Entity</b>	<b>Various</b>
<b>Finding Type</b>	Noncompliance
<b>Finding</b>	Three institutions did not always timely report enrollment status changes to NSLDS for FFEL student loan borrowers. Unless the institution expects to submit its next roster file (enrollment data) to NSLDS within 60 days, it must notify NSLDS directly within 30 days of discovering that a student who received an FFEL loan ceased to be enrolled on at least a half-time basis.
<b>Criteria</b>	34 CFR 682.610(c), <i>Student Status Confirmation Reports</i>
<b>Effect</b>	When NSLDS is not timely notified with accurate information, NSLDS may not be aware of when a FFEL student loan borrower ceases at least half-time enrollment, thereby not timely starting the grace period for repayment of FFEL student loans, which may result in an increased default rate.
	<b><u>Florida Atlantic University (FAU)</u></b>
<b>Condition</b>	For four of nine FFEL student loan borrowers tested who withdrew, graduated, or otherwise ceased to be enrolled at least half-time during the 2007-08 award year, the institution reported the enrollment status changes 16 to 146 days late to NSLDS.
<b>Cause</b>	The institution submitted its roster files to the National Student Clearinghouse (NSC) and relied on NSC to transmit student status changes to NSLDS for FFEL student loan borrowers; however, the institution did not have monitoring procedures in place to ensure that NSC submitted student status changes to NSLDS timely.
<b>Recommendation</b>	The institution should work with NSC and NSLDS to correct the submission problems or develop alternative procedures to timely provide NSLDS with FFEL student loan borrowers' enrollment status information.
<b>FAU Response and Corrective Action Plan</b>	FAU implemented a new student information system, SCT Banner, during the 2007-08 academic year. Submission of the Student Status Confirmation Reports (SSCR) to the Clearinghouse were delayed during Spring 2008 as automated programs were developed and fine-tuned to accurately submit the required enrollment updates. Effective Spring 2009, the SSCR's to the Clearinghouse will be submitted bi-weekly instead of monthly to meet federal reporting requirements.
<b>Estimated Corrective Action Date</b>	January 31, 2009
<b>FAU Contact and Telephone Number</b>	Carole Pfeilsticker, Student Financial Aid Director (561) 297-3528
	<b><u>Florida Gulf Coast University (FGCU)</u></b>
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-090
<b>Condition</b>	For 5 of 20 FFEL student loan borrowers who withdrew, graduated or otherwise ceased to be enrolled at least half-time during the 2007-08 award year, the institution reported the enrollment status changes to NSLDS, 19 to 173 days late. Additionally, two students, (one of the five and another student) had unofficially withdrawn and were incorrectly reported to NSLDS as half-time instead of less

	than half-time.
<b>Cause</b>	According to institution personnel, accurate and timely reporting to NSLDS for FFEL student loan borrowers' enrollment status changes was not ensured due to staff shortages within the Registrar's Office and the institution's electronic process did not identify all students that were enrolled less than half-time.
<b>Recommendation</b>	The institution should enhance its procedures and address the staff shortage to ensure that enrollment status changes for FFEL student loan borrowers are accurately and timely reported to NSLDS.
<b>FGCU Response and Corrective Action Plan</b>	The Office of Financial Aid will take a more proactive approach along with the Office of the Registrar to be in compliance with enrollment reporting. The Office of Financial Aid will work with the Registrar's Office to ensure that a thorough review of the data takes place before the roster is submitted. Additionally, Financial Aid will pursue further technical modifications to the process in order to report students timely and accurately.
<b>Estimated Corrective Action Date</b>	Spring 2009 Term
<b>FGCU Contact and Telephone Number</b>	Jorge Lopez, Director of Student Financial Services (239) 590-1210  <b><u>Edison State College (ESC)</u></b>
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-090
<b>Condition</b>	Of the 21 FFEL student loan borrowers tested who graduated, withdrew, or ceased to be enrolled at least half-time, the institution reported the enrollment changes 18 days late to NSLDS for the 2 students who graduated during the Fall 2007 term. Upon further review, we noted the institution's procedures of manually reviewing 42 Fall graduates with FFEL loans prior to NSLDS submission resulted in untimely NSLDS notification.
<b>Cause</b>	The institution's procedures for determining eligibility for graduation and processing the graduation actions for FFEL students were not effective to ensure that student status changes were timely reported to the NSLDS because the institution manually reviews all graduating students, which delays reporting to NSLDS.
<b>Recommendation</b>	The institution should enhance its procedures to ensure that all enrollment status changes for FFEL student loan borrowers are reported timely to NSLDS.
<b>ESC Response and Corrective Action Plan</b>	The College has implemented a new procedure to report currently enrolled students to the Clearinghouse at the end of the add/drop period as well as the 15th and 30th of every month. Graduates will be reported in batch process and as determined every two weeks until the graduation process has been completed. This will ensure compliance with reporting rules concerning NSLDS student status.
<b>Estimated Corrective Action Date</b>	Summer 2008 Term
<b>ESC Contact and Telephone Number</b>	Billee Silva, Registrar (239) 489-9362

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-104</b>
<b>CFDA Number</b>	84.032 and 84.268
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Family Education Loan (FFEL) Federal Direct Student Loans (FDSL)
<b>Compliance Requirement</b>	Special Test and Provisions – Student Status Changes – Exit Counseling
<b>State Educational Entity</b>	<b>Various</b>
<b>Finding Type</b>	Noncompliance
<b>Finding</b>	Six institutions did not always timely (within 30 days) perform exit counseling, or provide exit counseling materials, for FFEL or FDSL student loan borrowers who graduated, withdrew, or ceased to be enrolled at least half-time.
<b>Criteria</b>	34 CFR 682.604(g) and 685.304(b), <i>Exit Counseling</i>
<b>Effect</b>	When exit counseling information is not provided timely, FFEL or FDSL student loan borrowers may not be fully aware of their loan repayment obligations, and lenders and guarantors, or the U.S. Department of Education, may not be timely provided with important personal and contact information, which could lead to an increased default rate for the institution.
	<b><u>Florida Agricultural and Mechanical University (FAMU)</u></b>
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-081, Report No. 2007-146, Finding No. FA 06-099, Report No. 2006-152, Finding No. FA 05-106, and Report No. 2005-158, Finding No. FA 04-103
<b>Condition</b>	Prior to the end of each semester, the institution runs a query to identify FFEL student loan borrowers who ceased at least half-time enrollment. The query includes FFEL student loan borrowers from the current term, as well as FFEL student loan borrowers from the previous term, who ceased at least half-time enrollment without the school's prior knowledge and subsequently, did not return for the current term. Since the procedure is to run the query prior to the end of the term, it is not frequent enough to ensure the timely identification of FFEL student loan borrowers requiring exit counseling materials within 30 days of an enrollment change occurring more than 30 days prior to the query. Based on the institution's procedures, two of the five FFEL student loan borrowers who ceased at least half-time enrollment early in the term were provided exit counseling materials 58 and 62 days late.
<b>Cause</b>	The institution did not have adequate procedures to ensure that FFEL student loan borrowers who ceased to be enrolled at least half-time were timely provided exit counseling materials.
<b>Recommendation</b>	The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.
<b>FAMU Response and Corrective Action Plan</b>	Exit counseling workshops are conducted the week prior to graduation each semester to include graduation rehearsal. Exit counseling materials are distributed at the workshops. Also, exit counseling materials are sent via U.S. Postal Service to students who do not attend the workshops to ensure that each borrower has been provided counseling materials. Although, all graduating and withdrawn students received exit counseling materials, as required, students that officially withdrew from the University during the semester and unofficially withdrew from the University in the prior semester and did not reenroll were mailed the packet at the end of the semester. Procedures are updated and students that officially and unofficially withdraw from the University will receive exit loan counseling materials within thirty days from the official withdrawal notice to the University and thirty days from the university's determination of the student's unofficial withdrawal

	status for students who do not reenroll the following semester. This new process is incorporated with the Return of Title IV policies and procedures.
<b>Estimated Corrective Action Date</b>	November 3, 2008
<b>FAMU Contact and Telephone Number</b>	Marcia Boyd, Director of Financial Aid and Scholarships (850) 412-5278
	<b><u>Florida Gulf Coast University (FGCU)</u></b>
<b>Condition</b>	For 4 of 20 students tested, the institution did not perform exit counseling, or provide exit counseling materials, within 30 days of when the FFEL student loan borrowers withdrew or otherwise ceased to be enrolled at least half-time during the 2007-08 award year. Exit counseling materials were provided to the students 39 to 42 days late.
<b>Cause</b>	The institution indicated that due to staff shortages within the Registrar's Office, staff was unable to ensure that all FFEL student loan borrowers who ceased to be enrolled at least half-time were provided exit counseling materials.
<b>Recommendation</b>	The institution should provide adequate staff to ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.
<b>FGCU Response and Corrective Action Plan</b>	The Office of Financial Aid continues its efforts to achieve 100% compliance with this regulation. As a result, exit-counseling materials have been converted to an electronic format (e-mail) to make sure students are notified in a timely manner as required by DOE regulations. The exit counseling notices are emailed twice per month to ensure timeliness and accuracy.
<b>Estimated Corrective Action Date</b>	Fall 2008 Term
<b>FGCU Contact and Telephone Number</b>	Jorge Lopez, Director of Student Financial Services (239) 590-1210
	<b><u>Florida International University (FIU)</u></b>
<b>Condition</b>	For 20 of 20 FFEL student loan borrowers tested who withdrew or ceased to be enrolled at least half-time during the 2007-08 award year, exit counseling materials were provided 14 to 71 days late.
<b>Cause</b>	The institution's computerized reporting system which identifies students requiring exit counseling was not a fully automated process. The required user interface was not performed within 30 days of FFEL student loan borrowers ceasing to be enrolled at least half-time.
<b>Recommendation</b>	The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.
<b>FIU Response and Corrective Action Plan</b>	The Office of Financial Aid has fully automated the process to notify FFEL and FDL borrowers, who withdrew or ceased to be enrolled half-time, of their requirement to complete an exit interview. This notification process runs three times per week on the production schedule.
<b>Estimated Corrective Action Date</b>	Completed
<b>FIU Contact and Telephone Number</b>	Francisco Valines (305) 348-2333

**Central Florida Community College – (CFCC)**

<b>Condition</b>	For two of nine FDSL student loan borrowers tested who withdrew or ceased to be enrolled at least half-time during the 2007-08 award year, exit counseling materials were provided 32 and 199 days late.
<b>Cause</b>	The institution's computerized reporting system did not identify all students requiring exit counseling, within 30 days of an FDSL student loan borrower ceasing to be enrolled at least half-time.
<b>Recommendation</b>	The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FDSL student loan borrower ceasing at least half-time enrollment
<b>CFCC Response and Corrective Action Plan</b>	The College has initiated a new computer program that allows the Financial Aid Office the capability to provide all student borrowers exit counseling materials as required. Financial Aid staff also review enrollment records every week (run the less than six credit report) and provide pertinent information to facilitate the processing of exit counseling materials to students that have dropped to less than half time status or totally withdrawn during the week.
<b>Estimated Corrective Action Date</b>	Completed
<b>CFCC Contact and Telephone Number</b>	James Harvey, Senior Vice President (352) 237-2111

**Edison State College (ESC)**

<b>Condition</b>	For 13 of 21 students tested, the institution did not perform exit counseling, or provide exit counseling materials, within 30 days of when the FFEL student loan borrowers graduated, withdrew, or ceased to be enrolled at least half-time. As of July 16, 2008, the date of our audit fieldwork, the number of days late ranged from 46 to 230.
<b>Cause</b>	The institution's computerized reporting system did not identify all students requiring exit counseling within 30 days of an FFEL student loan borrower ceasing to be enrolled at least half-time.
<b>Recommendation</b>	The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.
<b>ESC Response and Corrective Action Plan</b>	The college has reviewed and corrected the report processes that identifies student loan recipients that are required to complete the loan exit interview process. The college has scheduled the interview process to be reviewed at the end of each month to ensure compliance with the loan entrance interview regulations. Students will be notified via email to complete the interview process on-line and sent the interview information through regular mail.
<b>Estimated Corrective Action Date</b>	Fall 2008 Term
<b>ESC Contact and Telephone Number</b>	Cindy Lewis, District Student Financial Aid Director (239) 489-9346

**Seminole Community College (SCC)**

<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-092 and Report No. 2007-146, Finding No. FA 06-099
<b>Condition</b>	For 8 of 13 FFEL student loan borrowers tested who withdrew during the 2007-08 academic year, exit counseling materials were provided from 30 to 88 days late.
<b>Cause</b>	The institution reviews student records at the end of each term to identify FFEL student loan borrowers having an enrollment status change requiring exit counseling. Since the institution's procedure is to review student records at the

	end of the term, it is not frequent enough to ensure the timely identification of FFEL student loan borrowers requiring exit counseling, if the enrollment change occurred more than 30 days prior to the review.
<b>Recommendation</b>	The institution should ensure that exit counseling is performed, or exit counseling materials provided, within 30 days of an FFEL student loan borrower ceasing at least half-time enrollment.
<b>SCC Response and Corrective Action Plan</b>	The institution's official withdrawal form has been revised to include a notification of exit counseling requirements for all current and previous loan recipients. To further enhance the frequency of review, the weekly financial aid enrollment monitoring report will assist in identifying reductions in enrollment below half-time for loan recipients. An email message will be sent to students still currently enrolled yet have fallen below half time. The institution's new email policy and process will be utilized for this purpose and a record of the notification sent to the students will be maintained,
<b>Estimated Corrective Action Date</b>	Spring 2009
<b>SCC Contact and Telephone Number</b>	Robert Lynn, Director, Student Financial Resources (407) 708-2044

## U.S. DEPARTMENT OF EDUCATION

<b>Finding Number</b>	<b>FA 08-105</b>
<b>CFDA Number</b>	84.007, 84.032, 84.033, 84.038, 84.063, 84.375, and 84.376
<b>Program Title</b>	<b>Student Financial Assistance Cluster (SFA)</b> Federal Supplemental Educational Opportunity Grants (FSEOG) Federal Family Education Loans (FFEL) Federal Work-Study Program (FWS) Federal Perkins Loans (FPL) Federal Pell Grant Program (PELL) Academic Competitiveness Grants (ACG) National Science and Mathematics Access to Retain Talent Grants (SMART)
<b>Compliance Requirement</b>	Eligibility
<b>State Educational Entity</b>	<b>Florida Agricultural &amp; Mechanical University (FAMU)</b>
<b>Finding Type</b>	Other
<b>Finding</b>	On October 27, 2008, the institution reported suspected fraud to the United States Department of Education (USED).
<b>Criteria</b>	34 CFR 668.16(g), <i>Referrals to the Office of the Inspector General of the United States Department of Education for Investigation</i>
<b>Condition</b>	The institution became aware of unauthorized grade or residency changes for approximately 90 students. Student Financial Assistance payments from various Title IV Higher Education Act (HEA) programs to these students could have resulted in potential overawards. We were advised by the institution that the matter had been reported to local law enforcement, which resulted in grand jury indictments of several individuals. The final determination by USED is pending.
<b>Recommendation</b>	The institution should continue to report any known or suspected instances of Title IV HEA funds' fraud to the USED OIG, and to local law enforcement agencies, as applicable.
<b>FAMU Response and Corrective Action Plan</b>	The University will continue to report any known or suspected instances of Title IV HEA funds' fraud to the USED, OIG, and to local law enforcement agencies, as applicable.
<b>FAMU Contact and Telephone Number</b>	Marcia Boyd, Director of Financial Aid and Scholarships (850) 412-5278

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**STATE UNIVERSITIES AND COMMUNITY COLLEGES  
SUMMARY OF QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2008**

Compliance Requirement/ Institutions	Questioned Costs
<hr/>	
<b><u>Research and Development Cluster (R&amp;D)</u></b>	
<b>ALLOWABLE COSTS/COST PRINCIPLES - Finding No. FA 08-106</b>	
General Expenditures:	
University of South Florida	\$ 18,500.03
<b>ALLOWABLE COSTS/COST PRINCIPLES - Finding No. FA 08-107</b>	
Leave Payouts:	
Florida State University	25,869.05
<b>ALLOWABLE COSTS/COST PRINCIPLES - Finding Nos. FA 08-108, 109</b>	
Time-and-Effort:	
Florida Atlantic University	364,777.31
University of Central Florida	24,969.47
<b>Total</b>	389,746.78
<b>MATCHING, LEVEL OF EFFORT, EARMARKING - Finding No. FA 08-110</b>	
Florida State University	4,773,104.00
<b>Total Questioned Costs</b>	\$ 5,207,219.86

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-106</b>
<b>CFDA Number</b>	12.300, 12.999, 43.001, and 84.324
<b>Program Title</b>	<b>Research and Development Cluster (R&amp;D)</b> Basic and Applied Scientific Research (12.300) United States Department of Defense – Other Federal Awards (12.999) Aerospace Education Services Program (43.001) Research in Special Education (84.324)
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles – General Expenditures
<b>State Educational Entity</b>	<b>University of South Florida (USF)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	<b>CFDA No. 12.300</b> N00014-01-1-0279, December 1, 2000 – December 30, 2008 <b>CFDA No. 12.999</b> DASG60-00-C-0089, September 7, 2000 – April 30, 2009 W911SR-05-C-0020, July 28, 2005 – May 31, 2009 W9113M-06-C-0022, March 23, 2006 – April 24, 2009 <b>CFDA No. 43.001</b> NNL06AA17A, September 1, 2006 – August 31, 2009 <b>CFDA No. 84.324</b> H324P040003, January 1, 2005 – December 31, 2008
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$ 18,500.03 (\$1,373.15, grant No. N00014-01-1-0279; \$8,060.21, grant No. DASG60-00-C-0089; \$6,918.98, grant No. W911SR-05-C-0020; \$1,425.48, grant No. W9113M-06-C-0022; \$215.50, grant No. NNL06AA17A; and \$506.71, grant No. H324P040003)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-098 and Report No. 2007-146, Finding No. FA 06-107
<b>Finding</b>	The institution did not always properly monitor Federal grant expenditures to ensure documentation was on file to support that amounts were valid, reasonable, and necessary, and that travel expenditures for employees were paid at rates authorized by State law.
<b>Criteria</b>	OMB Circular A-21, Section C.4. <i>Allowable Costs</i> ; Section J. <i>General Provisions for Selected Items of Costs</i> ; Section J.10.f. <i>Fringe Benefits</i> ; and Section 112.061, Florida Statutes, <i>Per Diem and Travel Expenses</i>
<b>Condition</b>	Our test of expenditures for six Federal grants disclosed the following: <ol style="list-style-type: none"> <li>Four Federal grants were overcharged for payroll costs as follows: Eleven employees who terminated during the 2007-08 fiscal year earned annual and sick leave from multiple projects during their employment at the institution. However, leave payments for unused annual and sick leave made to ten of the employees, totaling \$17,777.82, were incorrectly overcharged to four Federal grants (\$1,373.15, grant No. N00014-01-1-0279; \$8,060.21, grant No. DASG60-00-C-0089; \$6,918.98, grant No. W911SR-05-C-0020; and \$1,425.48, grant No. W9113M-06-C-0022). In July 2008, subsequent to audit inquiry, the \$17,777.82 was reimbursed to the respective grants for the charges that were incurred.</li> <li>During review of a subrecipient agreement, we determined that the institution did not obtain documentation to support the subrecipient cost reimbursement payments made, as required by invoicing instructions of the subrecipient agreement. Subsequent to audit inquiry, in August 2008, the institution provided supporting documentation for the subrecipient cost reimbursement payments totaling \$299,296.65. (grant No. H324P040003)</li> </ol>

3. Two Federal grants were overcharged for travel costs as follows:

The institution reimbursed employees for mileage and meals using rates prescribed by the U.S. General Services Administration (GSA) Domestic Per Diem Rate Schedule instead of rates authorized by Section 112.061, Florida Statutes. OMB Circular A-21, Sections C.2 and J. 53, determine reasonableness, in part, by the requirements imposed by State laws and regulations and in its regular operations. Two of the six Federal grants tested were overcharged \$401.25 for meals (\$215.50, grant No.>NNL06AA17A and \$185.75, grant No. H324P040003) due to use of GSA rates instead of rates authorized by State law. The extent to which other Federal grants were overcharged due to noncompliance with Section 112.061, Florida Statutes, was not readily determinable. Effective July 1, 2007, the institution changed its travel reimbursement rates to agree with Section 112.061, Florida Statutes; however, travel expenses that occurred prior to July 1, 2007, continued to be reimbursed using the GSA rate.

For one of the Federal grants, the institution incorrectly charged the grant for lodging costs twice. (\$320.96, grant No. H324P040003) Subsequent to audit inquiry, on July 3, 2008, the duplicated lodging expense was reimbursed to the grant.

**Cause**

The institution's review and approval of grant charges procedures were not adequate to ensure that expenditures charged to Federal grants were adequately documented, approved, reasonable, and necessary.

**Effect**

Federal grant funds may have been used for goods or services that were not allowable or reasonable under the terms of the Federal grants.

**Recommendation**

The institution should enhance its procedures to maintain documentation for all charges to substantiate the validity, reasonableness, and necessity of all expenditures charged to Federal grants. The institution should calculate overcharges for travel and return any such overcharges, and the remaining questioned costs disclosed by our audit, to applicable Federal grants.

**USF Response and  
Corrective Action Plan**

The University continually enhances procedures to maintain documentation for all charges to substantiate the validity, reasonableness, and necessity of expenditures charged to Federal Awards. The University's subcontract policy has been revised and is in the promulgation process. Once approved, the subrecipient documentation cited in this finding will be required to be maintained by the subcontractee (who would be subject to an annual A-133 audit). Overcharges for travel and unused annual and sick leave paid at termination were removed from the impacted projects and funds were returned to sponsors as necessary. As stated above, the institution has changed its travel reimbursement rates to agree with Section 112.061, Florida Statutes, for all travel that began after July 1, 2007.

**Estimated Corrective  
Action Date**

December 31, 2008

**USF Contact and  
Telephone Number**

Nick Trivunovich, Controller  
(813) 974-6061

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-107</b>
<b>CFDA Number</b>	10.200, 12.300, 47.049, and 93.855
<b>Program Title</b>	<b>Research and Development Cluster (R&amp;D)</b> Grants for Agricultural Research, Special Research Grants (10.200) Basic and Applied Scientific Research (12.300) Mathematical and Physical Sciences (47.049) Allergy, Immunology and Transplantation Research (93.855)
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles – Leave Payouts
<b>State Educational Entity</b>	<b>Florida State University (FSU)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	CFDA No. 10.200, (United States Department of Agriculture) 2006-38890-03568, July 1, 2006 – June 30, 2009 CFDA No. 12.300, (Office of Naval Research – ONR) N00014-07-1-0599, February 1, 2007-January 31, 2009 CFDA No. 47.049, (National Science Foundation - NSF) 0654118, January 1, 2008 – December 31, 2012 CFDA No. 93.855, (Department of Health and Human Services – DHHS) R01AI023007, March 1, 2005 – February 28, 2009
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs - \$25,869.05 (grant No. 2006-38890-03568, \$5,673.65; grant No. N00014-07-1-0599, \$7,842.76; grant No. 0654118, \$1,893.72; grant No. R01AI023007, \$10,458.92)
<b>Finding</b>	The institution does not have adequate procedures for charging Federal grants for costs related to unused leave payments to terminated employees that have worked on multiple Federal grants during employment at the institution.
<b>Criteria</b>	OMB Circular A-21, Section J.10.f. <i>Compensation for Personal Services, Fringe Benefits</i> .
<b>Condition</b>	Our review of nine employees that terminated employment during the 2007-08 fiscal year, and were paid unused leave, disclosed that four employees worked and earned leave from multiple Federal grants during their employment at the institution. However, unused leave payments for these four employees, totaling \$25,869.05 (grant No. 2006-38890-03568, \$5,673.65; grant No. N00014-07-1-0599, \$7,842.76; grant No. 0654118, \$1,893.72; grant No. R01AI023007, \$10,458.92), were charged to the last Federal grant the employees were assigned to, instead of being allocated to the Federal grants the employees worked on throughout their employment at the institution.
<b>Cause</b>	The institution did not have adequate procedures to identify, allocate, and charge costs related to unused leave payments to terminated employees to the Federal grants on which its employees worked throughout their employment at the institution.
<b>Effect</b>	Federal funds were used to pay unused leave charges that should have been charged to multiple Federal grants, which resulted in overcharges to the Federal grants that were charged and undercharges to other Federal grants on which the employees worked and were not charged.
<b>Recommendation</b>	The institution should implement procedures that allow for employees' unused leave to be readily identified and allocated to the Federal grants on which the employees worked throughout their employment at the institution so that costs related to unused leave payments to terminated employees can be charged to the appropriate Federal grants.

**FSU Response and  
Corrective Action Plan**

In 2008 FSU, reviewed its accounting for leave costs for the entire University (E&G, C&G, auxiliaries etc.) and it was concluded by senior management to change accounting for terminal leave costs from a cash to an accrual basis for sponsored projects. This change in accounting became effective January 9, 2009, and DHHS was notified in November 2008. FSU will be filing a revised Disclosure Statement with DHHS in the near future.

**Estimated Corrective  
Action Date**

January 9, 2009

**FSU Contact and  
Telephone Number**

Ralph Alvarez  
Associate Vice President for Budget/Planning and Financial Services  
(850) 644-4444

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-108</b>
<b>CFDA Number</b>	12.300 and 93.867
<b>Program Title</b>	<b>Research and Development Cluster (R&amp;D)</b> Basic and Applied Scientific Research (12.300) Vision Research (93.867)
<b>Compliance Requirement</b>	Allowable Cost/Cost Principles - Time-and-Effort
<b>State Educational Entity</b>	<b>Florida Atlantic University (FAU)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	CFDA No. 12.300 N00014-05-1-0341H, October 16, 2006 – July 31, 2008 CFDA No. 93.867 5R01 EY013022-09, December 1, 2004 – November 30, 2009
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$364,777.31 (\$247,185.44, grant No. N00014-05-1-0341H and \$117,591.87, grant No. 5R01 EY013022-09)
<b>Prior Year Finding</b>	Report No. 2008-141, Finding No. FA 07-099
<b>Finding</b>	After-the-fact time-and-effort payroll certification forms did not reflect actual time worked by employees on various Federal contracts and grants, and such forms and reports documenting time-and-effort were not always certified by the employee or an individual with direct knowledge of the employee's work, contrary to Federal cost principles.
<b>Criteria</b>	OMB Circular A-21, Section C., <i>Basic Considerations</i> and J. 10.c.(2), <i>Compensation for Personal Services</i> ; and the institution's Directives and Procedures.  Federal regulations require that after-the-fact personnel activity reports be completed within six months of the end of the academic term for academic personnel, and monthly for non-academic or non-professional personnel. These reports should be signed by the employee and a supervisor with direct knowledge of the employee's activities.
<b>Condition</b>	As noted in our prior audit, the institution's procedures required that payroll certification forms be approved at the end of each pay period by the Department head and the timekeeper. These forms were prepared after-the-fact; however, the percentage of effort was based on budgeted or anticipated percentages of effort rather than actual effort and were not signed by the employee or an individual with direct knowledge of the employee's activities. In addition, faculty are required to document non-instructional activities in the Faculty Academic and Information Reporting system; however, these reports (timesheets) are not always signed by the employee or an individual with direct knowledge of the employee's activities.  As a result of inadequate after-the-fact time-and-effort documentation, questioned costs totaled \$364,777.31 for salary and benefits (\$222,689.56 grant No. N00014-05-1-0341H and \$98,281.57 grant No. 5R01 EY013022-09) and other personnel service employees (timesheet) (\$24,495.88 grant No. N00014-05-1-0341H and \$19,310.30 grant No. 5R01 EY013022-09) payroll for the two Federal grants tested.  Agency personnel indicated that they are in the process of revising and implementing procedures relating to Research Accounting, which includes future implementation of a new time-and-effort reporting system that will comply with Federal reporting standards.

<b>Cause</b>	Throughout the 2007-08 fiscal year, the institution actively evaluated alternative systems to handle the time-and-effort reporting. A committee determined the needs of the institution and issued an Invitation to Negotiate for vendor systems. As of June 2008, the committee formulated a short list of vendors capable of providing the institution with systems that will comply with time-and-effort requirements. Complicating this selection is the need for new systems to interface effectively with the institution's payroll and timekeeping software, SCT Banner, and to be effectively implemented for all research activities of the institution. The institution plans to make a final decision and recommendation by Fall 2008.
<b>Effect</b>	When time-and-effort reporting is inadequate financial data may not be reliable, reports to users may not be accurate, and unallowable costs may be charged to grants and go undetected.
<b>Recommendation</b>	The institution should continue its efforts to implement the revised time-and-effort reporting system to ensure that the records reflect the employee's actual effort and are certified by the employee or individual with direct knowledge of the employee's work in accordance with Federal regulations.
<b>FAU Response and Corrective Action Plan</b>	<p>Florida Atlantic University is actively pursuing a Time and Effort system that will assist the institution in meeting the A-21 requirements. The University has set the following requirements for acquiring this system:</p> <ul style="list-style-type: none"> <li>Must meet the A-21 requirements</li> <li>Can be delivered at a reasonable cost</li> <li>Must be integrated with the University's Banner Enterprise Resource Planning (ERP) system</li> <li>Must be user friendly</li> </ul> <p>The University is in the final phase of evaluating the responses to the Invitation to Negotiate (ITN) as described in the auditor's "cause" section of this finding. The vendors on the shortlist can all provide a system that is both A-21 compliant and user friendly. These systems may require bridge programs in order to integrate with Banner.</p> <p>The University recently learned that Banner SCT (provider of current ERP system) has released a new version of its ERP system which includes a Time and Effort module. The University is in the process of comparing this module with the systems that were included in the ITN. If the Banner module meets all of the requirements listed above, the institution may upgrade to this new Banner version and include the system's Time and Effort module in the upgrade.</p> <p>In the meantime, the University is also reviewing its current FAIR system to determine if current processes could be enhanced in order to meet the A-21 requirements until a new system is implemented.</p>
<b>Estimated Corrective Action Date</b>	December 31, 2009
<b>FAU Contact and Telephone Number</b>	Dr. Edwin Bemmell, Director of Research Accounting (561) 297 2606

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-109</b>
<b>CFDA Number</b>	12.431, 16.560, and 93.853
<b>Program Title</b>	<b>Research &amp; Development Cluster (R&amp;D)</b> Basic Scientific Research (12.431) The National Institute of Justice Research, Evaluation, and Development Project Grants (16.560) Extramural Research Programs in the Neurological Disorders (93.853)
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles – Time-and-Effort
<b>State Educational Entity</b>	<b>University of Central Florida (UCF)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	CFDA No. 12.431 - W911NF-06-1-0283, August 15, 2006 - August 14, 2009 CFDA No. 16.560 - 2005-MU-MU-K044, July 1, 2005 - December 31, 2008 CFDA No. 93.853 - 5R01 NS050452, September 23, 2005 - June 30, 2010
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$24,969.47, Grant No. 2005-MU-MU-K044
<b>Finding</b>	The institution's time-and-effort reports were not adequate to meet Federal reporting requirements. In addition, time-and-effort reports for professorial and professional staff were not completed in a timely manner.
<b>Criteria</b>	OMB Circular A-21, Sections C., <i>Basic Considerations and J. 10.c.(2), Compensation for Personal Services</i> ; and the Institution's Directives and Procedures.  Federal regulations require that when an institution uses time cards or other forms of after-the-fact payroll documents as original documentation for payroll and payroll changes, such documents shall qualify as an acceptable method for payroll distribution if they meet the requirement in subsections J.10.c.(2)(a) through(e) which includes that reports will reflect an after-the-fact reporting. Additionally, Federal regulations require that for professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every six months. The institution's rules, Guidance & Directive No. ORC-01, requires that time-and-effort certifications be completed within 90 days after the end of each semester.
<b>Condition</b>	Payroll timesheets are utilized by the institution as after-the-fact time-and-effort reports for employees that are compensated on an hourly basis. We noted that for 21 of 27 timesheets reviewed for 3 employees, the timesheets were signed by the employees and approved by their supervisors 1 to 7 days prior to the end of the pay period for which they were certifying. Further discussions with the departmental administrator revealed that it was common practice for hourly timesheets to be completed prior to the end of the period in order to process the payroll in a timely manner (Grant No. 2005-MU-MU-K044).  Additionally, we noted that 5 of 12 professorial and professional staff's after-the-fact time-and-effort reports reviewed were completed in an untimely manner, from 8 to 85 days late (1 employee - Grant No. W911NF-06-1-0283 and 4 employees – Grant No. 5R01-NS050452).
<b>Cause</b>	Timekeeping procedures for hourly employees allowed for the reporting of estimated hours to be worked prior to the end of the pay period without adequate supervisory follow up to ensure that hours reported agreed to actual hours worked. Additionally, the institution had not implemented procedures to ensure that all required time-and-effort after-the-fact certifications were completed in accordance with Federal requirements.
<b>Effect</b>	The information on the timesheets may not be valid due to the certifications occurring prior to the hours' worked. Consequently, salary expenditures may have been inappropriately charged to grants and may result in reports to users not

	being accurate and costs charged to grants may be unallowable and not be detected. Also, late certifications may result in unreliable information or costs charged to grants may be unallowable and not be timely detected.
<b>Recommendation</b>	The institution should enhance their timesheet processing procedures to include after-the-fact supervisory certification of any estimated hours reported by hourly employees, and also, the institution should enhance procedures to ensure that professorial and professional staff's time-and-effort reports are completed in a timely manner.
<b>UCF Response and Corrective Action Plan</b>	<p>The University of Central Florida (UCF) agrees that three hourly paid employees signed their timesheets one to seven days prior to the end of the pay period. We also affirm five salaried employees certified their time-and-effort beyond the 90 day period.</p> <p>Corrective Action Plan - Timesheet Certification:</p> <p>The University has updated and implemented timesheet certification procedures to comply with Federal time-and-effort reporting requirements. The university will develop an enhanced timesheet monitoring program to ensure hourly paid employees are properly certifying their assignments after-the-fact. The university will retrieve actual timesheet data for the three employees referenced in the audit report and re-certify the one to seven days in question for each employee respectively. The university will provide supplemental after-the-fact timesheet training to employees and departmental personnel identified in the audit. For clarity, the university will design and implement a monthly timesheet report for employee/supervisor after-the-fact certification in addition to the bi-weekly timesheet.</p> <p>Corrective Action Plan: Salaried Employees</p> <p>The university will begin a more rigorous program to ensure prompt time-and-effort certification. The university will begin issuing weekly faculty time-and-effort certification status reports to college deans and the Vice President for Research no later than 60 days following the end of each reporting period, and submit a status report to the Office of the Provost no later than 75 days after the end of each reporting period for appropriate action.</p>
<b>Estimated Corrective Action Date</b>	March 30, 2009
<b>UCF Contact and Telephone Number</b>	Dr. Thomas O'Neal, Associate Vice President for Research Office of Research and Commercialization (407) 882-1120

## U.S. DEPARTMENT OF ENERGY

<b>Finding Number</b>	<b>FA 08-110</b>
<b>CFDA Number</b>	81.049
<b>Program Title</b>	<b>Research and Development Cluster (R&amp;D)</b> Office of Science Financial Assistance Program (81.049)
<b>Compliance Requirement</b>	Matching, Level of Effort, and Earmarking
<b>State Educational Entity</b>	<b>Florida State University (FSU)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	DE-FG02-05CH11292, August 15, 2005 – October 14, 2007
<b>Finding Type</b>	Noncompliance and Significant Deficiency Questioned Costs – \$4,773,104 (Federal share) and \$1,193,276 (total required cost-share of which \$468,590.01 is the cost-share from revised Personnel Activity Report (PARS))
<b>Finding</b>	The institution did not maintain adequate documentation evidencing that mandatory cost-share (match) requirements were met.
<b>Criteria</b>	OMB Circular A-110, Subpart C.23, <i>Cost Sharing or Matching</i>
<b>Condition</b>	<p>Although the institution had developed written cost-sharing policies and procedures, the institution did not adequately document compliance with mandatory cost-share requirements for one of the two grants tested. The grant award was \$4,773,104 with a cost-share requirement of \$1,193,276. The institution reported the required amount to the United States Department of Energy (USDOE) on the final Financial Status Report submitted April 21, 2008.</p> <p>Our review disclosed that a portion of ten employees' salaries totaling \$468,590.01 was used to meet the grant's cost-share requirement. Twenty-nine (29) amended after-the-fact reports of time-and-effort for these employees were used to support cost-share effort on the grant. These reports were for the academic terms ranging from Fall 2005 through Summer 2007, and none of the reports showed employee effort on the grant until amended in February 2008 (4 reports) and April 2008 (23 reports), four to six months after the grant ended and six months to two and one half years after the academic term. Also, two of the amended reports were not dated. It is not evident why the institution would amend PARS forms up to two and one half years after the original forms were completed.</p> <p>(See FA 08-112 for additional information about closeout procedures followed for this grant.)</p>
<b>Cause</b>	The institution did not always follow written cost-sharing procedures.
<b>Effect</b>	The institution may not have met cost-share requirements of the grantor. When cost-share requirements are not met, the institution may be subject to the termination of the grant and disallowance of grant costs.
<b>Recommendation</b>	The institution should enhance its procedures to ensure compliance with the Federal cost-share requirements prior to the end of the grant period, which may include more frequent monitoring to ensure that adequate documentation is being maintained.
<b>FSU Response and Corrective Action Plan</b>	<p>In late 2007, FSU began the University's contract closeout process. As part of this process FSU became fully aware of the contractual cost sharing issues for the subject US Department of Energy award completed by the FSU Center for Advanced Power Systems (CAPS). As a result of follow-up efforts by the Vice President for Research's office in conjunction with FSU's Sponsored Research Accounting Services (SRAS), the following specific actions were taken to address the apparent lack of understanding and awareness to properly document cost shared effort on center projects:</p> <ol style="list-style-type: none"> <li>1. The University created and hired a new senior department administrator to</li> </ol>

ensure the Center would follow its own departmental procedures, University policies and all contractual requirements pertaining to the management, spending and documentation in performing the scope of work required by Federal Government sponsored awards.

2. In addition FSU in early 2008 provided special effort reporting training to all CAPS personnel (faculty & administrators) and other associated faculty.

In addition to the specific actions mentioned above, FSU has taken the following broader actions to improve processes for effort reporting and related cost sharing:

- In early 2008, FSU purchased from the firm Cedar Crestone a “bolt-on” effort reporting system-“FACET” (attaches to FSU’s OMNI financial system) in order to significantly improve faculty effort reporting and to monitor cost share on a more timely basis. The current plan is to have the system operational for effort certification for the Fall 2008 personnel activity. The new system is expected to be unveiled in the first quarter of 2009 and will include extensive training for management, faculty and staff. With the implementation of the FACET system, we will have the ability to enter commitments of effort. This will enable departmental personnel as well as SRAS to identify instances where effort is not being dedicated to a project at a rate that will provide compliance with the commitment made for the full project life.
- In addition to the above, FSU’s Division of Sponsored Research updated and revitalized its Cost Sharing policy during 2007 and has formulated a plan to better monitor all contractual cost sharing commitments. This plan includes (1) assigning cost sharing to SRAS’ cognizant department Coordinators rather than to just one individual in SRAS (2) establishing cost sharing budgets in the FSU OMNI System for use in the accounting for cost share throughout the life a project - as a result, FSU’s departments will be able to code expenditures to be used for cost share directly to the budget that was set up. This also will allow the cognizant SRAS Coordinator to monitor compliance on an ongoing basis rather than just when a project ends (or reporting mandates) as used to be the case.

**Estimated Corrective  
Action Date**

March 31, 2009

**FSU Contact and  
Telephone Number**

Ralph Alvarez  
Associate Vice President for Budget/Planning and Financial Services  
(850) 644-4444

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-111</b>
<b>CFDA Number</b>	66.202 and 84.366
<b>Program Title</b>	<b>Research and Development Cluster (R&amp;D)</b> Congressionally Mandated Projects (66.202) Mathematics and Science Partnerships (84.366)
<b>Compliance Requirement</b>	Procurement and Suspension and Debarment – Suspension and Debarment
<b>State Educational Entity</b>	<b>University of West Florida (UWF)</b>
<b>Pass-Through Agency</b>	Escambia County District School Board (84.366)
<b>Finding Type</b>	Noncompliance
<b>Finding</b>	Prior to entering into agreements with vendors for Federal transactions equal to or greater than \$25,000 (covered Federal transactions), the institution did not determine whether vendors were debarred or suspended from receiving Federal funds.
<b>Criteria</b>	OMB Circular A-110, Subpart C, Section 44(d) <i>Procurement Procedures</i> and Appendix A.8. <i>Debarment and Suspension</i> , and the November 26, 2003, Federal Register
<b>Condition</b>	The institution did not obtain a written certification from its vendors, or check the Excluded Parties List System (EPLS) maintained by the General Services Administration for vendors debarred or suspended from receiving Federal funds, for covered Federal transactions. Although our review of Federal purchases totaling \$564,627 [\$286,752 (2 vendors totaling \$89,640 and \$197,112 each), CFDA No. 66.202], and \$277,875 [(3 <sup>rd</sup> vendor), CFDA No. 84.366] with three vendors, disclosed that the vendors were not on the EPLS at the time of our testing, the potential for not detecting excluded vendors exists because the institution did not verify vendors were not excluded prior to subcontracting.
<b>Cause</b>	During the audit period, the institution's procedures did not require vendors to certify that they were not suspended or debarred or provide for an independent verification that vendors were not on the EPLS excluded vendors' list. Effective for the 2008-09 fiscal year the institution implemented procedures to independently verify that existing vendors were not on the EPLS excluded vendors list.
<b>Effect</b>	Covered Federal transactions may be entered into with vendors that have been suspended or debarred, resulting in charges subject to disallowance by Federal agencies.
<b>Recommendation</b>	The institution should continue its efforts to ensure that vendors used for covered Federal transactions are not debarred or suspended from receiving Federal funds.
<b>UWF Response and Corrective Action Plan</b>	UWF's Procurement & Contracts department was contacted by the Auditor General on May 30, 2008, regarding the lack of procedures for determining whether vendors were debarred or suspended from receiving Federal funds. By June 4, 2008, the Purchase Order terms and conditions were changed and posted to meet language requirements outlined in A-133 Compliance Supplement 3-I-1 March 2008 Compliance Requirements.  A Procurement & Contracts Standard Operating Procedure (SOP #411.05) was established on October 23, 2008, requiring a check of vendors before a Purchase Order is processed and to also check vendors on a monthly basis for the PCard program. Research and Sponsored Programs has adopted a standard procedure, using state of the art software, to screen agencies a) serving as sponsors on any contract or award received and b) any collaborative partner or initially identified subcontractor. Purchase requisitions for over \$25,000 will also be screened prior to approval by Research and Sponsored Programs. Procurement & Contracts will be responsible for screening all subsequent transaction to the initial contract.

**Estimated Corrective  
Action Date**

June 4, 2008 and November 15, 2008

**UWF Contact and  
Telephone Number**Mr. David O'Brien, Associate Vice President and Chief Contracting Officer  
(850) 474-2626Dr. Richard Podemski, Assoc. Vice President Research & Sponsored Programs  
(850) 474-7713

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<b>Finding Number</b>	<b>FA 08-112</b>
<b>CFDA Number</b>	12.300 and 81.049
<b>Program Title</b>	<b>Research and Development Cluster (R&amp;D)</b> Basic and Applied Scientific Research (12.300) Office of Science Financial Assistance Program (81.049)
<b>Compliance Requirement</b>	Special Tests and Provisions – Closeout Procedures
<b>State Educational Entity</b>	<b>Florida State University (FSU)</b>
<b>Federal Grant/Contract Number and Grant Year</b>	CFDA No. 12.300, (Office of Naval Research – ONR) N00014-02-1-0623, June 1, 2002 – March 31, 2008 CFDA No. 81.049, (United States Department of Energy - USDOE) DE-FG02-05CH11292, August 15, 2005 – October 14, 2007
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Finding</b>	The institution did not always timely report final grant information to Federal awarding agencies.
<b>Criteria</b>	OMB Circular A-110, Subpart D, <i>After-the-Fact Requirements, Closeout Procedures</i>
<b>Condition</b>	<p>Although the institution had developed written grant closeout procedures, our review disclosed that the institution did not always timely report final grant information to Federal awarding agencies for two of the three grants tested, as follows:</p> <ul style="list-style-type: none"> <li>For grant No. N00014-02-1-0623, the final Financial Status Report (SF-269) was submitted to ONR on July 28, 2008, 29 days late. Subsequent to audit inquiry, the final Report of Inventions and Subcontracts (DD 882) was submitted on November 26, 2008, 150 days late. As of December 18, 2008, the Final Technical Report, due on June 29, 2008, had not been submitted.</li> <li>For grant No. DE-FG02-05CH11292, although USDOE approved a 48-day extension, the final Financial Status Report (SF-269) and the final Federal Cash Transaction Report (SF-272) were submitted to USDOE on April 21, 2008, 52 days late. Subsequent to audit inquiry, the Property Closeout Certification was submitted on November 18, 2008, 263 days late. The Final Scientific/Technical Report was submitted on April 1, 2008, 32 days late, and the final Patent Certification was submitted on March 27, 2008, 27 days late.</li> </ul>
<b>Cause</b>	The institution did not follow written closeout procedures.
<b>Effect</b>	Since the SF-269 and SF-272 reports are used by Federal agencies to monitor cash advanced to recipients and to obtain disbursement information, failure of the institution to provide timely information to the Federal agencies may limit the ability of the Federal agencies to make proper decisions and provide accurate data to other interested parties.
<b>Recommendation</b>	The institution should enhance its efforts to review and monitor contract and grant accounts to ensure the timeliness of final reports in accordance with grant terms.
<b>FSU Response and Corrective Action Plan</b>	<p>The Center for Advanced Power Systems (CAPS) submitted a final annual technical report for this project and believed that report satisfied the requirement for a final project technical report. When they were notified that wasn't the case, they prepared and submitted to the agency on December 22, 2008, a final project technical report.</p> <p>FSU is currently reviewing its database reporting capabilities to develop a system whereby we will have reportable milestone due dates tracked for all projects. This will allow us to send early reminders to principal investigators of their responsibility for reports, identifying report types and due dates. As part of this</p>

review, we are investigating the possibility of a system where Sponsored Research Services (SRS) would be notified when principal investigators have (or have not) submitted required reports, enabling us to closely monitor compliance. Likewise, such a system would facilitate better reporting compliance by SRS for all report type submissions (patent, sub-award, etc.).

For the submission of financial reports the practice for Sponsored Research Accounting Services is to contact the sponsor to obtain an extension for submitting the final report. While historically we have accepted a verbal approval, we will in the future ensure that approval of all extensions obtained are documented appropriately.

**Estimated Corrective  
Action Date**

June 30, 2009

**FSU Contact and  
Telephone Number**

Greg Thompson, Director, Sponsored Research Services  
(850) 644-5260

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## **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Year Ended June 30, 2008**

Acronyms and abbreviations used in the State's Schedule of Expenditures of Federal Awards include the following:

Citrus	Florida Department of Citrus
Courts	State Courts System
FAHCA	Florida Agency for Health Care Administration
FAPD	Florida Agency for Person with Disabilities
FAWI	Florida Agency for Workforce Innovation
FDACS	Florida Department of Agriculture and Consumer Services
FDCA	Florida Department of Community Affairs
FDCFS	Florida Department of Children and Family Services
FDEP	Florida Department of Environmental Protection
FDFS	Florida Department of Financial Services
FDHSMV	Florida Department of Highway Safety and Motor Vehicles
FDJJ	Florida Department of Juvenile Justice
FDLA	Florida Department of Legal Affairs
FDLE	Florida Department of Law Enforcement
FDMA	Florida Department of Military Affairs
FDMS	Florida Department of Management Services
FDOC	Florida Department of Corrections
FDOE	Florida Department of Education
FDOEA	Florida Department of Elder Affairs
FDOH	Florida Department of Health (Includes County Health Departments)
FDOR	Florida Department of Revenue
FDOS	Florida Department of State
FDOT	Florida Department of Transportation
FDVA	Florida Department of Veterans' Affairs
FEOG	Florida Executive Office of the Governor (1)
FFWCC	Florida Fish and Wildlife Conservation Commission
FPC	Florida Parole Commission
FSDB	Florida School for the Deaf and the Blind
JAC	Justice Administrative Commission
SU	State Universities
SCC	State Community Colleges

(1) Includes amounts reported for Volunteer Florida

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Office of National Drug Control Policy				
Direct Programs - Not Clustered				
Other Federal Awards	FDLE	07.999	66,756	
Subtotal - Direct Programs - Not Clustered			\$66,756	
Indirect Programs - Not Clustered				
Other Federal Awards	FDLE	07.999	139,808	
Subtotal - Indirect Programs - Not Clustered			\$139,808	
Subtotal - Office of National Drug Control Policy			\$206,564	
U. S. Department of Agriculture				
Direct Programs - Clustered				
Child Nutrition Cluster:				
School Breakfast Program ((1))	FDOE/ FSDB	10.553	124,394,544	124,304,499
National School Lunch Program ((1))	FDACS/ FDJJ/ FDOC/ FDOE/ FSDB/ SU	10.555	502,064,762	440,433,776
Special Milk Program for Children	FDOE/ SU	10.556	69,490	62,866
Summer Food Service Program for Children	FDOE/ SCC/ SU	10.559	16,058,441	15,418,367
Emergency Food Assistance Cluster:				
Emergency Food Assistance Program (Administrative Costs)	FDACS	10.568	2,273,868	
Emergency Food Assistance Program (Food Commodities) ((1))	FDACS	10.569	11,121,677	
Food Stamp Cluster:				
Supplemental Nutrition Assistance Program ((1))	FDCFS/ SU	10.551	1,657,611,873	
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	FAWI/ FDCFS/ FDLE/ FDOE	10.561	83,684,627	7,453,290
Research & Development Cluster:				
Agricultural Research - Basic and Applied Research	SU	10.001	755,719	
Plant and Animal Disease, Pest Control, and Animal Care	SU	10.025	569,970	
Grants for Agricultural Research, Special Research Grants	SU	10.200	9,142,024	2,048,588
Cooperative Forestry Research	SU	10.202	808,946	
Payments to Agricultural Experiment Stations Under the Hatch Act	SU	10.203	4,084,994	
Payments to 1890 Land-Grant Colleges and Tuskegee University	SU	10.205	546	
Grants for Agricultural Research - Competitive Research Grants	SU	10.206	2,284,335	73,539
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	SU	10.210	109,082	
1890 Institution Capacity Building Grants	SU	10.216	734,722	
Biotechnology Risk Assessment Research	SU	10.219	95,081	1,932
Higher Education Multicultural Scholars Program	SU	10.220	9,817	
Hispanic Serving Institutions Education Grants	SU	10.223	65,861	
Agricultural and Rural Economic Research	SU	10.250	4,385	
Integrated Programs	SU	10.303	947,363	65,676
Organic Agriculture Research and Extension Initiative	SU	10.307	144,199	59,906
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	SU	10.443	93	
Crop Insurance	SU	10.450	8,933	
Food Safety Cooperative Agreements	SU	10.479	24,720	
Cooperative Extension Service	SU	10.500	2,129,032	
State Administrative Expenses for Child Nutrition	SU	10.560	27,972	
Forestry Research	SU	10.652	244,300	
Cooperative Forestry Assistance	SU	10.664	161,434	
Forest Health Protection	SU	10.680	5,459	
Soil and Water Conservation	SU	10.902	296	
Technical Agricultural Assistance	SU	10.960	67	
Scientific Cooperation and Research	SU	10.961	19,957	
Other Federal Awards	SU	10.999	584,897	41,285
Schools and Roads Cluster:				
Schools and Roads - Grants to States	FDFS	10.665	2,636,797	
Subtotal - Direct Programs - Clustered			\$2,422,880,283	\$589,963,724

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Direct Programs - Not Clustered				
Agricultural Research - Basic and Applied Research	Citrus/ SCC/ SU	10.001	861,180	
Plant and Animal Disease, Pest Control, and Animal Care	FDACS/ FFWCC/ SU	10.025	13,000,840	
Wildlife Services	FFWCC	10.028	82,872	
Wetlands Reserve Program	FFWCC	10.072	1,298,670	
Federal-State Marketing Improvement Program	FDACS	10.156	85,733	
Market Protection and Promotion	FDACS	10.163	1,829,053	
Specialty Crop Block Grant Program	FDACS	10.169	78,945	
Grants for Agricultural Research, Special Research Grants	SU	10.200	272,786	
Cooperative Forestry Research	SU	10.202	180	
Payments to Agricultural Experiment Stations Under the Hatch Act	SU	10.203	600,000	
Grants for Agricultural Research - Competitive Research Grants	SU	10.206	7,992	
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	SU	10.210	46,816	
1890 Institution Capacity Building Grants	SU	10.216	307,982	
Higher Education Challenge Grants	SU	10.217	137,791	41,384
Higher Education Multicultural Scholars Program	SU	10.220	1,219	
Hispanic Serving Institutions Education Grants	SCC	10.223	146,243	
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	SCC	10.226	24,324	
Integrated Programs	SU	10.303	202,785	13,786
Homeland Security - Agricultural	FDACS/ SU	10.304	405,760	
International Science and Education Grants	SU	10.305	39,829	
Organic Agriculture Research and Extension Initiative	FDACS/ SU	10.307	138,092	56,055
State Mediation Grants	SU	10.435	39,886	
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	SU	10.443	87,186	
Meat, Poultry, and Egg Products Inspection	FDACS	10.477	358,074	
Food Safety Cooperative Agreements	SU	10.479	55,527	
Cooperative Extension Service	SU	10.500	6,471,625	
Special Supplemental Nutrition Program for Women, Infants, and Children ((1))	FDOH	10.557	300,531,030	2,699,227
Child and Adult Care Food Program	FDLE/ FDOEA/ FDOH/ SCC	10.558	135,994,134	134,265,014
State Administrative Expenses for Child Nutrition	FDACS/ FDOE/ FDOEA/ FDOH/ SU	10.560	7,914,398	251,413
WIC Farmers Market Nutrition Program	FDACS	10.572	248,009	
Senior Farmers Market Nutrition Program	FDOEA	10.576	89,370	
Market Access Program	Citrus	10.601	5,741,703	
Forestry Research	FDACS/ SU	10.652	618,059	
Cooperative Forestry Assistance	FDACS	10.664	20,216,425	12,376,673
Rural Development, Forestry, and Communities	SU	10.672	90	
Forest Stewardship Program	FFWCC	10.678	2,502	
Research on the Economic Impact of Cooperatives	SU	10.778	86,174	
Soil and Water Conservation	FFWCC/ SCC	10.902	319,333	
Wildlife Habitat Incentive Program	FFWCC	10.914	47,391	
Cochran Fellowship Program-International Training-Foreign Participant	SU	10.962	1,131	
Other Federal Awards	SCC/ SU	10.999	179,964	
Subtotal - Direct Programs - Not Clustered			\$498,571,103	\$149,703,552
Indirect Programs - Clustered				
Food Stamp Cluster:				
Supplemental Nutrition Assistance Program ((1))	SCC	10.551	22,143	
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	SCC	10.561	93,518	
Research & Development Cluster:				
Plant and Animal Disease, Pest Control, and Animal Care	SU	10.025	35	
Grants for Agricultural Research, Special Research Grants	SU	10.200	22,104	
Grants for Agricultural Research - Competitive Research Grants	SU	10.206	19,926	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Higher Education Challenge Grants	SU	10.217	2,982	
Integrated Programs	SU	10.303	19,285	
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	SU	10.443	11,185	
Rural Community Development Initiative	SU	10.446	4,976	
Cooperative Extension Service	SU	10.500	94	
Other Federal Awards	SU	10.999	2,771	
Subtotal - Indirect Programs - Clustered			\$199,019	
Indirect Programs - Not Clustered				
Grants for Agricultural Research, Special Research Grants	SU	10.200	5,000	
1890 Institution Capacity Building Grants	SU	10.216	17,960	
Cooperative Extension Service	SU	10.500	148,273	
Emerging Markets Program	SCC	10.603	70,166	
Other Federal Awards	SU	10.999	7,004	
Subtotal - Indirect Programs - Not Clustered			\$248,403	
Subtotal - U. S. Department of Agriculture			\$2,921,898,808	\$739,667,276
<b>U. S. Department of Commerce</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Sea Grant Support	SU	11.417	1,987,156	719,942
Coastal Zone Management Administration Awards	SU	11.419	66,236	5,108
Coastal Zone Management Estuarine Research Reserves	SU	11.420	840,287	
Financial Assistance for National Centers for Coastal Ocean Science	SU	11.426	3,765	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	SU	11.427	8,487	
Undersea Research	SU	11.430	5,359	
Climate and Atmospheric Research	SU	11.431	1,363,572	
Marine Fisheries Initiative	SU	11.433	22,497	
Southeast Area Monitoring and Assessment Program	SU	11.435	88,793	
Pacific Fisheries Data Program	SU	11.437	2,564	
Marine Mammal Data Program	SU	11.439	48,985	
Environmental Sciences, Applications, Data, and Education	SU	11.440	214,573	
Unallied Management Projects	SU	11.454	180,620	20,164
Special Oceanic and Atmospheric Projects	SU	11.460	21,838	
Hydrologic Research	SU	11.462	64,699	
Habitat Conservation	SU	11.463	31,309	
Applied Meteorological Research	SU	11.468	1,548,856	28,047
Unallied Science Program	SU	11.472	57,025	4,956
Coastal Services Center	SU	11.473	293,730	26,069
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	SU	11.478	1,132,895	208,499
Educational Partnership Program	SU	11.481	2,399,819	1,053,019
Measurement and Engineering Research and Standards	SU	11.609	97,793	
National Center for Standards and Certification Information	SU	11.610	47,417	
Other Federal Awards	SU	11.999	49,156	
Subtotal - Direct Programs - Clustered			\$10,577,431	\$2,065,804
Direct Programs - Not Clustered				
Interjurisdictional Fisheries Act of 1986	FFWCC	11.407	151,026	
Sea Grant Support	SU	11.417	387,509	
Coastal Zone Management Administration Awards	FDCA/ FDEP/ FDOH/ FDOS/ FFWCC/ SU	11.419	6,665,249	2,977,500
Coastal Zone Management Estuarine Research Reserves	FDEP	11.420	1,944,819	
Financial Assistance for National Centers for Coastal Ocean Science	FDEP	11.426	96,960	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	FFWCC	11.427	63,020	
Marine Sanctuary Program	FDEP/ FFWCC	11.429	3,524,831	
Undersea Research	SU	11.430	6,859	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Marine Fisheries Initiative	FFWCC/ SU	11.433	386,139	32,873
Cooperative Fishery Statistics	FFWCC	11.434	1,979,500	
Southeast Area Monitoring and Assessment Program	FFWCC	11.435	69,980	
Marine Mammal Data Program	FFWCC	11.439	739,027	
Unallied Management Projects	FDACS/ FFWCC/ SU	11.454	1,066,316	
Habitat Conservation	FDACS/ FDEP/ SU	11.463	509,782	
Applied Meteorological Research	SU	11.468	24,141	
Unallied Science Program	FFWCC	11.472	223,493	6,075
Coastal Services Center	FDEP	11.473	41,388	
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	SU	11.478	48,485	
Educational Partnership Program	SCC/ SU	11.481	56,345	
Public Telecommunications Facilities Planning and Construction	SCC/ SU	11.550	131,470	
Measurement and Engineering Research and Standards	SCC/ SU	11.609	52,336	
National Center for Standards and Certification Information	SU	11.610	7,217	
Subtotal - Direct Programs - Not Clustered			\$18,175,892	\$3,016,448
Indirect Programs - Clustered				
Research & Development Cluster:				
ITA Special Projects	SU	11.113	86	
Sea Grant Support	SU	11.417	40,178	
Coastal Zone Management Administration Awards	SU	11.419	221,086	
Financial Assistance for National Centers for Coastal Ocean Science	SU	11.426	1,566	
Undersea Research	SU	11.430	23,921	
Climate and Atmospheric Research	SU	11.431	85,295	
Office of Oceanic and Atmospheric Research Joint and Cooperative Institutes	SU	11.432	564,206	
Columbia River Fisheries Development Program	SU	11.436	40,204	
Environmental Sciences, Applications, Data, and Education	SU	11.440	62,407	
Unallied Management Projects	SU	11.454	74,473	
Special Oceanic and Atmospheric Projects	SU	11.460	12,921	
Habitat Conservation	SU	11.463	83,556	
Meteorologic and Hydrologic Modernization Development	SU	11.467	46,553	
Coastal Services Center	SU	11.473	147,943	
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	SU	11.478	161,853	
Other Federal Awards	SU	11.999	13,340	
Subtotal - Indirect Programs - Clustered			\$1,579,588	
Indirect Programs - Not Clustered				
Sea Grant Support	FFWCC/ SU	11.417	17,667	
Marine Sanctuary Program	SU	11.429	23,361	
Undersea Research	SU	11.430	20,309	
Office of Oceanic and Atmospheric Research Joint and Cooperative Institutes	SU	11.432	44,110	
Regional Fishery Management Councils	FFWCC	11.441	247,309	
Habitat Conservation	FDEP/ FFWCC/ SU	11.463	209,470	
Atlantic Coastal Fisheries Cooperative Management Act	FFWCC	11.474	79,641	
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	FFWCC	11.478	1,213,032	270,922
Educational Partnership Program	FFWCC/ SU	11.481	37,711	
Other Federal Awards	FFWCC/ SU	11.999	45,501	
Subtotal - Indirect Programs - Not Clustered			\$1,938,111	\$270,922
Subtotal - U. S. Department of Commerce			\$32,271,022	\$5,353,174
<b>U. S. Department of Defense</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Procurement Technical Assistance For Business Firms	SU	12.002	148,358	
Collaborative Research and Development	SU	12.114	2,788,452	141,680
Department of Defense Appropriation Act of 2003	SU	12.116	28,582	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Basic and Applied Scientific Research	SU	12.300	32,501,751	8,169,227
Basic Scientific Research - Combating Weapons of Mass Destruction	SU	12.351	35,451	
National Guard Military Operations and Maintenance Projects	SU	12.401	135,775	
Military Medical Research and Development	SU	12.420	5,146,692	410,824
Basic Scientific Research	SU	12.431	6,081,926	1,387,354
Basic, Applied, and Advanced Research in Science and Engineering	SU	12.630	1,315,517	217,396
Air Force Defense Research Sciences Program	SU	12.800	7,427,289	1,053,080
Language Grant Program	SU	12.900	2,595	
Mathematical Sciences Grants Program	SU	12.901	279,356	
Information Security Grant Program	SU	12.902	165,185	
Research and Technology Development	SU	12.910	5,933,573	1,002,173
Other Federal Awards	SU	12.999	14,127,950	1,355,308
Subtotal - Direct Programs - Clustered			<u>\$76,118,452</u>	<u>\$13,737,042</u>
Direct Programs - Not Clustered				
Procurement Technical Assistance For Business Firms	SU	12.002	975,463	60,269
Navigation Projects	FDEP	12.107	705,493	
State Memorandum of Agreement Program for the Reimbursement of Technical Services	FDEP	12.113	659,947	
Collaborative Research and Development	SU	12.114	194	
Department of Defense Appropriation Act of 2003	SU	12.116	455,772	
Basic and Applied Scientific Research	SU	12.300	22,207	
Military Construction, National Guard	FDMA	12.400	17,070,392	
National Guard Military Operations and Maintenance Projects	FDMA	12.401	26,668,272	
National Guard Civilian Youth Opportunities	FDMA	12.404	6,366,918	
Basic Scientific Research	SU	12.431	144	
Research and Technology Development	SU	12.910	9,961	
Other Federal Awards	FDOE/ SCC/ SU	12.999	4,089,376	408,535
Subtotal - Direct Programs - Not Clustered			<u>\$57,024,139</u>	<u>\$468,804</u>
Indirect Programs - Clustered				
Research & Development Cluster:				
Collaborative Research and Development	SU	12.114	10,856	
Department of Defense Appropriation Act of 2003	SU	12.116	19,690	
Basic and Applied Scientific Research	SU	12.300	1,910,693	12,807
Military Medical Research and Development	SU	12.420	64,142	
Basic Scientific Research	SU	12.431	526,080	
Basic, Applied, and Advanced Research in Science and Engineering	SU	12.630	47,237	
Air Force Defense Research Sciences Program	SU	12.800	1,116,624	50,000
Research and Technology Development	SU	12.910	354,994	
Other Federal Awards	SU	12.999	3,850,467	
Subtotal - Indirect Programs - Clustered			<u>\$7,900,783</u>	<u>\$62,807</u>
Indirect Programs - Not Clustered				
Basic and Applied Scientific Research	SU	12.300	194,607	
Basic Scientific Research	SU	12.431	5,119	
Research and Technology Development	SU	12.910	7,953	
Other Federal Awards	SU	12.999	26,842	
Subtotal - Indirect Programs - Not Clustered			<u>\$234,521</u>	
Subtotal - U. S. Department of Defense			<u>\$141,277,895</u>	<u>\$14,268,653</u>
<b>U. S. Department of Housing and Urban Development</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Lead Outreach Grants	SU	14.904	63,262	
Subtotal - Direct Programs - Clustered			<u>\$63,262</u>	
Direct Programs - Not Clustered				
Community Development Block Grants/States Program	FDCA	14.228	96,364,281	94,317,411

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Emergency Shelter Grants Program	FDCFS	14.231	3,306,084	3,203,067
Housing Opportunities for Persons with AIDS	FDOH	14.241	4,560,521	3,644,816
Community Development Block Grants/Brownfields Economic Development Initiative	SCC	14.246	145,012	
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	SCC/ SU	14.251	249,650	98,064
Fair Housing Assistance Program - State and Local	FDMS	14.401	1,078,075	
Other Federal Awards	SCC/ SU	14.999	456,554	1,500
Subtotal - Direct Programs - Not Clustered			<u>\$106,160,177</u>	<u>\$101,264,858</u>
Indirect Programs - Clustered				
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster: Community Development Block Grants/Entitlement Grants	FDOH/ SU	14.218	505,379	6,100
Research & Development Cluster: Manufactured Home Construction and Safety Standards	SU	14.171	2,021	
Subtotal - Indirect Programs - Clustered			<u>\$507,400</u>	<u>\$6,100</u>
Indirect Programs - Not Clustered				
Public Housing Neighborhood Networks Grants	SU	14.875	24,799	
Subtotal - Indirect Programs - Not Clustered			<u>\$24,799</u>	
Subtotal - U. S. Department of Housing and Urban Development			<u>\$106,755,638</u>	<u>\$101,270,958</u>
<b>U. S. Department of the Interior</b>				
Direct Programs - Clustered				
Fish and Wildlife Cluster:				
Sport Fish Restoration	FFWCC/ SU	15.605	9,686,654	77,117
Wildlife Restoration	FDEP/ FFWCC	15.611	1,723,568	
Research & Development Cluster:				
Cultural Resource Management	SU	15.224	1,634	
Recreation Resources Management	SU	15.524	2,914	
Wildlife Restoration	SU	15.611	11,674	
Coastal Wetlands Planning, Protection and Restoration Act	SU	15.614	549	
Cooperative Endangered Species Conservation Fund	SU	15.615	141,512	
Coastal Program	SU	15.630	33,186	
Partners for Fish and Wildlife	SU	15.631	2,077	
Conservation Grants Private Stewardship for Imperiled Species	SU	15.632	590,671	15,000
State Wildlife Grants	SU	15.634	256,718	46,574
Assistance to State Water Resources Research Institutes	SU	15.805	391,277	50,423
U.S. Geological Survey - Research and Data Collection	SU	15.808	3,248,072	1,148
National Cooperative Geologic Mapping Program	SU	15.810	11,453	
Gap Analysis Program	SU	15.811	1,170	
Cooperative Research Units Program	SU	15.812	841,620	4,338
Historic Preservation Fund Grants-In-Aid	SU	15.904	271,104	1,427
Rivers, Trails and Conservation Assistance	SU	15.921	109,868	
Other Federal Awards	SU	15.999	137,124	
Subtotal - Direct Programs - Clustered			<u>\$17,462,845</u>	<u>\$196,027</u>
Direct Programs - Not Clustered				
National Fire Plan - Wildland Urban Interface Community Fire Assistance	FDACS/ FFWCC	15.228	202,812	
National Fire Plan - Rural Fire Assistance	FDACS	15.242	3,002	
Fish and Wildlife Management Assistance	FFWCC/ SU	15.608	42,954	
Coastal Wetlands Planning, Protection and Restoration Act	FDEP	15.614	294,965	
Cooperative Endangered Species Conservation Fund	FDACS/ FDEP/ FFWCC	15.615	4,576,781	
Clean Vessel Act	FDEP	15.616	894,467	455,228
Sportfishing and Boating Safety Act	FFWCC	15.622	5,000	5,000
Wildlife Conservation and Restoration	FFWCC	15.625	102,384	
Coastal Program	FDEP/ FFWCC	15.630	58,695	
Partners for Fish and Wildlife	FFWCC	15.631	55,627	
Conservation Grants Private Stewardship for Imperiled Species	FDEP/ FFWCC	15.632	169,179	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Landowner Incentive	FFWCC	15.633	186,428	
State Wildlife Grants	SU	15.634	67,045	
Neotropical Migratory Bird Conservation	FFWCC	15.635	38,750	
Wildlife Without Borders - Latin America and the Caribbean	SU	15.640	3,501	
Challenge Cost Share	FFWCC	15.642	4,989	
Migratory Bird Conservation	FFWCC	15.647	25,000	
U.S. Geological Survey - Research and Data Collection	FDEP/ FFWCC/ SU	15.808	197,426	
National Spatial Data Infrastructure Cooperative Agreements Program	FDCA/ FDOR	15.809	575,100	
National Cooperative Geologic Mapping Program	FDEP	15.810	109,057	
Historic Preservation Fund Grants-In-Aid	FDOS	15.904	181,682	93,830
Outdoor Recreation - Acquisition, Development and Planning	FDEP/ FFWCC	15.916	3,633,088	3,542,037
American Battlefield Protection	SU	15.926	7,046	
Other Federal Awards	FFWCC/ SU	15.999	1,796,220	5,623
Subtotal - Direct Programs - Not Clustered			<u>\$13,231,198</u>	<u>\$4,101,718</u>
Indirect Programs - Clustered				
Research & Development Cluster:				
Minerals Management Service Environmental Studies Program	SU	15.423	34,529	
Water Reclamation and Reuse Program	SU	15.504	12,873	
Fish and Wildlife Management Assistance	SU	15.608	8,519	
Cooperative Research Units Program	SU	15.812	2,180	
Other Federal Awards	SU	15.999	10,001	
Subtotal - Indirect Programs - Clustered			<u>\$68,102</u>	
Indirect Programs - Not Clustered				
State Wildlife Grants	FFWCC	15.634	2,220,387	423,551
National Cooperative Geologic Mapping Program	SU	15.810	10,682	
Other Federal Awards	SU	15.999	60,260	
Subtotal - Indirect Programs - Not Clustered			<u>\$2,291,329</u>	<u>\$423,551</u>
Subtotal - U. S. Department of the Interior			<u>\$33,053,474</u>	<u>\$4,721,296</u>
<b>U. S. Department of Justice</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Desegregation of Public Education	SU	16.100	3,465	
Law Enforcement Assistance - FBI Crime Laboratory Support	SU	16.301	971	
National Institute of Justice Research, Evaluation, and Development Project Grants	SU	16.560	1,765,356	51,538
Crime Victim Assistance	SU	16.575	45,992	
Public Safety Partnership and Community Policing Grants	SU	16.710	39,393	
Other Federal Awards	SU	16.999	1,330,327	159,860
Subtotal - Direct Programs - Clustered			<u>\$3,185,504</u>	<u>\$211,398</u>
Direct Programs - Not Clustered				
Prisoner Reentry Initiative Demonstration (Offender Reentry)	FDOC	16.202	251,511	
Comprehensive Approaches to Sex Offender Management Discretionary Grant	FDJJ	16.203	52,581	
Juvenile Accountability Incentive Block Grants	FDJJ	16.523	2,049,024	
Juvenile Justice and Delinquency Prevention - Allocation to States	FDJJ/ JAC	16.540	2,656,169	
Part E - Developing, Testing and Demonstrating Promising New Programs	SU	16.541	213,553	
Title V - Delinquency Prevention Program	FDJJ/ SU	16.548	729,202	
State Justice Statistics Program for Statistical Analysis Centers	FDLE	16.550	35,265	
National Criminal History Improvement Program	FDLE	16.554	532,422	157,270
National Institute of Justice Research, Evaluation, and Development Project Grants	FDLE/ FDOC/ SU	16.560	4,868,887	360,664
Public Safety Officers Benefits Program	FDLE	16.571	79	
Crime Victim Assistance	FDHSMV/ FDLA/ FDOH/ FPC/ JAC/ SU	16.575	22,919,865	18,857,918
Crime Victim Compensation	FDLA	16.576	4,866,000	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Edward Byrne Memorial Formula Grant Program	FDLE/ FDOC	16.579	2,746,545	502,567
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	FDLE/ SCC/ SU	16.580	1,206,607	
Crime Victim Assistance/Discretionary Grants	JAC	16.582	93,555	
Drug Court Discretionary Grant Program	Courts	16.585	40,171	
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	FDJJ/ FDLE/ FDOC/ SCC	16.586	4,172,154	
Violence Against Women Formula Grants	Courts/ FDCFS/ FDLE/ JAC	16.588	6,905,442	2,034,391
Rural Domestic Violence and Child Victimization Enforcement Grant Program	FDCFS	16.589	390	
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	FDCFS	16.590	86,758	
Residential Substance Abuse Treatment for State Prisoners	FDJJ/ FDLE	16.593	421,510	323,743
State Criminal Alien Assistance Program	FDOC	16.606	23,946,333	
Bulletproof Vest Partnership Program	FDEP/ FDLE/ SCC	16.607	16,667	
Community Prosecution and Project Safe Neighborhoods	FDLE/ JAC/ SCC	16.609	2,644,570	1,463,241
Public Safety Partnership and Community Policing Grants	FDLE/ FDOC/ SCC/ SU	16.710	858,007	
Enforcing Underage Drinking Laws Program	FDLE/ FEOG	16.727	269,057	256,126
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	FDOC	16.735	589,956	
Edward Byrne Memorial Justice Assistance Grant Program	FDJJ/ FDLE/ FDOC	16.738	13,507,960	9,330,764
Other Federal Awards	Courts/ FDJJ/ FDLE/ FEOG/ SU	16.999	1,172,950	286,034
Subtotal - Direct Programs - Not Clustered			\$97,853,190	\$33,572,718
Indirect Programs - Clustered				
Research & Development Cluster:				
National Institute of Justice Research, Evaluation, and Development Project Grants	SU	16.560	25,328	
Other Federal Awards	SU	16.999	40,290	
Subtotal - Indirect Programs - Clustered			\$65,618	
Indirect Programs - Not Clustered				
Community Relations Service	SU	16.200	38,515	
Juvenile Justice and Delinquency Prevention - Allocation to States	SU	16.540	17,160	
National Institute of Justice Research, Evaluation, and Development Project Grants	SU	16.560	26,604	
Community Capacity Development Office	SCC	16.595	31,000	
Community Prosecution and Project Safe Neighborhoods	JAC	16.609	66,613	
Juvenile Mentoring Program	SU	16.726	14,410	
Special Data Collections and Statistical Studies	SU	16.734	4,987	
Edward Byrne Memorial Justice Assistance Grant Program	JAC/ SU	16.738	310,640	
Criminal and Juvenile Justice and Mental Health Collaboration Program	SU	16.745	19,922	
Other Federal Awards	JAC/ SU	16.999	224,745	
Subtotal - Indirect Programs - Not Clustered			\$754,596	
Subtotal - U. S. Department of Justice			\$101,858,908	\$33,784,116
<b>U. S. Department of Labor</b>				
Direct Programs - Clustered				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	FAWI/ FDOE	17.207	38,414,945	12,625,703
Disabled Veterans Outreach Program	FAWI	17.801	4,629,463	1,240,047
Local Veterans Employment Representative Program	FAWI	17.804	3,707,336	951,120
WIA Cluster:				
WIA Adult Program	FAWI/ FDOE/ SU	17.258	30,071,241	28,091,270
WIA Youth Activities	FAWI	17.259	31,504,775	29,164,922
WIA Dislocated Workers	FAWI	17.260	29,984,848	26,459,825
Subtotal - Direct Programs - Clustered			\$138,312,608	\$98,532,887
Direct Programs - Not Clustered				

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Labor Force Statistics	FAWI	17.002	2,764,824	
Compensation and Working Conditions	FDFS	17.005	269,759	
Unemployment Insurance	FAWI/ FDOR	17.225	1,556,712,630	12,518,487
Senior Community Service Employment Program	FDOEA	17.235	5,453,319	4,887,797
Trade Adjustment Assistance	FAWI/ FDOE	17.245	2,431,409	901,024
WIA Pilots, Demonstrations, and Research Projects	FAWI/ SCC	17.261	4,639,682	828,205
National Farmworker Jobs Program	FDOE/ SCC	17.264	3,804,959	2,549,795
Work Incentive Grants	FAWI	17.266	1,328,481	1,205,778
H-1B High Growth Job Training Grants	FAWI	17.268	2,700,804	2,661,970
Community Based Job Training Grants	SCC	17.269	2,360,286	219,832
Permanent Labor Certification for Foreign Workers	FAWI	17.272	512,230	
YouthBuild	SCC	17.274	323,405	
Occupational Safety and Health - Susan Harwood Training Grants	SCC	17.502	259,454	
Consultation Agreements	SU	17.504	1,846,095	51,450
Mine Health and Safety Grants	FDEP	17.600	179,802	
Disability Employment Policy Development	FAPD/ FAWI/ SU	17.720	364,341	116,595
Subtotal - Direct Programs - Not Clustered			<u>\$1,585,951,480</u>	<u>\$25,940,933</u>
Indirect Programs - Clustered				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	SCC	17.207	27,339	
Disabled Veterans Outreach Program	SCC	17.801	5,325	
Local Veterans Employment Representative Program	SCC	17.804	3,688	
Research & Development Cluster:				
WIA Adult Program	SU	17.258	37,902	8,000
WIA Pilots, Demonstrations, and Research Projects	SU	17.261	25,691	
WIA Cluster:				
WIA Adult Program	SCC/ SU	17.258	939,096	
WIA Youth Activities	SCC	17.259	590,396	
WIA Dislocated Workers	SCC/ SU	17.260	636,527	
Subtotal - Indirect Programs - Clustered			<u>\$2,265,964</u>	<u>\$8,000</u>
Indirect Programs - Not Clustered				
Unemployment Insurance	SCC	17.225	372,939	
WIA Pilots, Demonstrations, and Research Projects	SCC	17.261	138,670	
Transition Assistance Program	SCC	17.807	269	
Other Federal Awards	SCC/ SU	17.999	78,748	
Subtotal - Indirect Programs - Not Clustered			<u>\$590,626</u>	
Subtotal - U. S. Department of Labor			<u>\$1,727,120,678</u>	<u>\$124,481,820</u>
<b>U. S. Department of State</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	19.999	151,305	9,095
Subtotal - Direct Programs - Clustered			<u>\$151,305</u>	<u>\$9,095</u>
Direct Programs - Not Clustered				
American Council of Young Political Leaders	SU	19.403	111,558	
Professional Exchanges - Annual Open Grant	SU	19.415	14,709	
Educational Exchange, American Studies Institute	SU	19.418	202,195	
Other Federal Awards	SU	19.999	122,212	12,500
Subtotal - Direct Programs - Not Clustered			<u>\$450,674</u>	<u>\$12,500</u>
Indirect Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	19.999	18,607	
Subtotal - Indirect Programs - Clustered			<u>\$18,607</u>	
Indirect Programs - Not Clustered				
Educational Exchange, American Studies Institute	SCC	19.418	174,420	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Other Federal Awards	FDLE/ SU	19.999	285,060	
Subtotal - Indirect Programs - Not Clustered			\$459,480	
Subtotal - U. S. Department of State			\$1,080,066	\$21,595
<b>U. S. Department of Transportation</b>				
Direct Programs - Clustered				
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants	FDOT	20.500	4,985,175	
Highway Planning and Construction Cluster:				
Highway Planning and Construction	FDEP/ FDOS/ FDOT/ FFWCC/ SU	20.205	2,065,511,813	186,246,860
Highway Safety Cluster:				
State and Community Highway Safety	FDHSMV/ FDOH/ FDOT/ SCC/ SU	20.600	10,205,994	5,066,470
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	FDHSMV/ FDOT/ SCC	20.601	3,408,107	1,187,088
Occupant Protection	FDOT/ SCC	20.602	4,621,523	2,630,949
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	FDOH	20.605	131,376	
Safety Belt Performance Grants	FDOT	20.609	856,876	
State Traffic Safety Information System Improvement Grants	FDHSMV/ FDOT	20.610	603,391	
Incentive Grant Program to Increase Motorcyclist Safety	FDHSMV	20.612	168,476	
Research & Development Cluster:				
Aviation Research Grants	SU	20.108	355,627	
Highway Research and Development Program	SU	20.200	304,645	12,579
Highway Planning and Construction	SU	20.205	150,713	52,938
Highway Training and Education	SU	20.215	67,865	
Federal Transit - Metropolitan Planning Grants	SU	20.505	25,967	
Federal Transit - Formula Grants	SU	20.507	95,158	
Public Transportation Research	SU	20.514	1,825,271	324,928
State Planning and Research	SU	20.515	221,512	37,675
New Freedom Program	SU	20.521	725,281	19,200
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	SU	20.601	60,931	
University Transportation Centers Program	SU	20.701	894,595	
Other Federal Awards	SU	20.999	94,511	
Transit Services Programs Cluster:				
Capital Assistance Program for Elderly Persons and Persons with Disabilities	FDOT	20.513	6,812,653	6,812,653
Subtotal - Direct Programs - Clustered			\$2,102,127,460	\$202,391,340
Direct Programs - Not Clustered				
Airport Improvement Program	FDOT	20.106	1,021,659	
Air Transportation Centers of Excellence	SU	20.109	13,904	4,347
National Motor Carrier Safety	FDHSMV/ FDOE/ FDOT	20.218	316,269	
Recreational Trails Program	FDACS/ FDEP	20.219	810,023	1,320,243
Commercial Driver License State Programs	FDHSMV	20.232	123,280	
Safety Data Improvement Program	SU	20.234	41,106	
Commercial Motor Vehicle Operator Training Grants	SCC	20.235	64,684	
Commercial Vehicle Information Systems and Networks	FDOT/ SU	20.237	674,581	
High Speed Ground Transportation - Next Generation High Speed Rail Program	FDOT	20.312	40,578	
Federal Transit - Metropolitan Planning Grants	FDOT/ SU	20.505	4,574,301	4,520,214
Formula Grants for Other Than Urbanized Areas	FDOT	20.509	9,572,221	9,570,822
Public Transportation Research	FDOT/ SU	20.514	614,973	28,650
University Transportation Centers Program	SU	20.701	18,487	
Interagency Hazardous Materials Public Sector Training and Planning Grants	FDCA	20.703	452,708	405,921
Assistance To Small And Disadvantaged Businesses	SCC	20.910	83,726	
Other Federal Awards	SCC/ SU	20.999	1,452,738	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Subtotal - Direct Programs - Not Clustered			\$19,875,238	\$15,850,197
Indirect Programs - Clustered				
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants	FDOT	20.500	3,695,536	
Federal Transit - Formula Grants	SU	20.507	16,450	
Highway Planning and Construction Cluster:				
Highway Planning and Construction	SU	20.205	53,450	
Research & Development Cluster:				
Aviation Research Grants	SU	20.108	34,881	
Highway Research and Development Program	SU	20.200	42,329	
Public Transportation Research	SU	20.514	78,739	
State Planning and Research	SU	20.515	4,341	
Biobased Transportation Research	SU	20.761	23,923	
Other Federal Awards	SU	20.999	217,724	
Subtotal - Indirect Programs - Clustered			\$4,167,373	
Indirect Programs - Not Clustered				
Highway Research and Development Program	SU	20.200	58,884	
Public Transportation Research	SU	20.514	110,491	
University Transportation Centers Program	SU	20.701	30,595	
Other Federal Awards	SU	20.999	16,248	
Subtotal - Indirect Programs - Not Clustered			\$216,218	
Subtotal - U. S. Department of Transportation			\$2,126,386,289	\$218,241,537
<b>U. S. Department of the Treasury</b>				
Direct Programs - Not Clustered				
Community Development Financial Institutions Program	SU	21.020	2,485	
Other Federal Awards	FDMA	21.999	66,936	
Subtotal - Direct Programs - Not Clustered			\$69,421	
Subtotal - U. S. Department of the Treasury			\$69,421	
<b>U. S. Office of Personnel Management</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Federal Civil Service Employment	SU	27.001	14,432	
Subtotal - Direct Programs - Clustered			\$14,432	
Direct Programs - Not Clustered				
Federal Civil Service Employment	SU	27.001	350,474	
Intergovernmental Personnel Act Mobility Program	SU	27.011	150,574	
Subtotal - Direct Programs - Not Clustered			\$501,048	
Subtotal - U. S. Office of Personnel Management			\$515,480	
<b>U. S. Equal Employment Opportunity Commission</b>				
Direct Programs - Not Clustered				
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	FDMS	30.002	648,848	
Subtotal - Direct Programs - Not Clustered			\$648,848	
Subtotal - U. S. Equal Employment Opportunity Commission			\$648,848	
<b>U. S. General Services Administration</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Donation of Federal Surplus Personal Property ((1))	SU	39.003	11,017	
Subtotal - Direct Programs - Clustered			\$11,017	
Direct Programs - Not Clustered				
Donation of Federal Surplus Personal Property ((1))	FDMS	39.003	947,475	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Other Federal Awards	FDOS	39.999	284,021	
Subtotal - Direct Programs - Not Clustered			<u>\$1,231,496</u>	
Subtotal - U. S. General Services Administration			<u>\$1,242,513</u>	
<b>Library of Congress</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	42.999	38,981	
Subtotal - Direct Programs - Clustered			<u>\$38,981</u>	
Indirect Programs - Not Clustered				
Other Federal Awards	SU	42.999	56,856	
Subtotal - Indirect Programs - Not Clustered			<u>\$56,856</u>	
Subtotal - Library of Congress			<u>\$95,837</u>	
<b>National Aeronautics and Space Administration</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Aerospace Education Services Program	SU	43.001	3,294,278	100,703
Technology Transfer	SU	43.002	1,351,730	244,740
Other Federal Awards	SU	43.999	6,692,484	431,402
Subtotal - Direct Programs - Clustered			<u>\$11,338,492</u>	<u>\$776,845</u>
Direct Programs - Not Clustered				
Aerospace Education Services Program	SU	43.001	148,055	
Technology Transfer	Citrus	43.002	203,788	
Other Federal Awards	SU	43.999	109,760	1,529
Subtotal - Direct Programs - Not Clustered			<u>\$461,603</u>	<u>\$1,529</u>
Indirect Programs - Clustered				
Research & Development Cluster:				
Aerospace Education Services Program	SU	43.001	295,130	
Technology Transfer	SU	43.002	218,827	
Other Federal Awards	SU	43.999	1,447,115	250,014
Subtotal - Indirect Programs - Clustered			<u>\$1,961,072</u>	<u>\$250,014</u>
Indirect Programs - Not Clustered				
Aerospace Education Services Program	SU	43.001	434	
Other Federal Awards	SU	43.999	83,784	
Subtotal - Indirect Programs - Not Clustered			<u>\$84,218</u>	
Subtotal - National Aeronautics and Space Administration			<u>\$13,845,385</u>	<u>\$1,028,388</u>
<b>National Foundation on the Arts and the Humanities</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Promotion of the Arts - Partnership Agreements	SU	45.025	920	
Promotion of the Humanities - Fellowships and Stipends	SU	45.160	38,634	
Promotion of the Humanities - Research	SU	45.161	75,903	
Promotion of the Humanities - Digital Humanities Initiative	SU	45.169	24,046	
Grants to States	SU	45.310	44,907	
National Leadership Grants	SU	45.312	71,818	9,750
Laura Bush 21st Century Librarian Program	SU	45.313	228,454	
Subtotal - Direct Programs - Clustered			<u>\$484,682</u>	<u>\$9,750</u>
Direct Programs - Not Clustered				
Promotion of the Arts - Grants to Organizations and Individuals	FDOS/ SCC/ SU	45.024	169,491	3,000
Promotion of the Arts - Partnership Agreements	FDOS/ SU	45.025	682,682	283,600
Promotion of the Humanities - Federal/State Partnership	SU	45.129	1,900	
Promotion of the Humanities - Division of Preservation and Access	SU	45.149	255,510	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Promotion of the Humanities - Fellowships and Stipends	SU	45.160	81,299	
Promotion of the Humanities - Teaching and Learning Resources and Curriculum Development	SU	45.162	83,772	
Promotion of the Humanities - Professional Development	SU	45.163	559	
Museums for America	SU	45.301	51,956	8,901
Grants to States	FDOS/ SU	45.310	8,143,844	2,080,399
National Leadership Grants	SU	45.312	8,981	
Laura Bush 21st Century Librarian Program	SU	45.313	858,227	159,603
Subtotal - Direct Programs - Not Clustered			<u>\$10,338,221</u>	<u>\$2,535,503</u>
Indirect Programs - Clustered				
Research & Development Cluster:				
National Leadership Grants	SU	45.312	16,851	
Other Federal Awards	SU	45.999	5,566	
Subtotal - Indirect Programs - Clustered			<u>\$22,417</u>	
Indirect Programs - Not Clustered				
Promotion of the Arts - Grants to Organizations and Individuals	SCC	45.024	20,000	
Promotion of the Humanities - Federal/State Partnership	SCC/ SU	45.129	20,245	
Promotion of the Humanities - Professional Development	SU	45.163	1,299	
Promotion of the Humanities - Public Programs	SU	45.164	165,724	
Grants to States	SU	45.310	58,190	
Laura Bush 21st Century Librarian Program	SU	45.313	35,544	
Other Federal Awards	SU	45.999	17,292	
Subtotal - Indirect Programs - Not Clustered			<u>\$318,294</u>	
Subtotal - National Foundation on the Arts and the Humanities			<u>\$11,163,614</u>	<u>\$2,545,253</u>
<b>National Science Foundation</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Engineering Grants	SU	47.041	9,885,084	391,841
Mathematical and Physical Sciences	SU	47.049	46,248,861	5,880,956
Geosciences	SU	47.050	8,809,704	942,429
Computer and Information Science and Engineering	SU	47.070	9,076,931	1,718,815
Biological Sciences	SU	47.074	10,570,874	1,268,109
Social, Behavioral, and Economic Sciences	SU	47.075	2,283,889	58,723
Education and Human Resources	SU	47.076	9,073,716	315,294
Polar Programs	SU	47.078	904,874	24,165
International Science and Engineering	SU	47.079	98,491	
Office of Cyberinfrastructure	SU	47.080	156,715	18,191
Other Federal Awards	SU	47.999	1,230,304	
Subtotal - Direct Programs - Clustered			<u>\$98,339,443</u>	<u>\$10,618,523</u>
Direct Programs - Not Clustered				
Engineering Grants	SCC/ SU	47.041	545,470	44,971
Mathematical and Physical Sciences	SCC/ SU	47.049	280,969	33,450
Geosciences	SU	47.050	663,812	
Computer and Information Science and Engineering	SCC/ SU	47.070	548,129	
Biological Sciences	SU	47.074	293,865	
Social, Behavioral, and Economic Sciences	SU	47.075	409,441	
Education and Human Resources	SCC/ SU	47.076	9,239,168	475,814
International Science and Engineering	SU	47.079	223,722	5,475
Subtotal - Direct Programs - Not Clustered			<u>\$12,204,576</u>	<u>\$559,710</u>
Indirect Programs - Clustered				
Research & Development Cluster:				
Engineering Grants	SU	47.041	729,664	
Mathematical and Physical Sciences	SU	47.049	976,061	
Geosciences	SU	47.050	449,736	
Computer and Information Science and Engineering	SU	47.070	347,699	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Biological Sciences	SU	47.074	718,845	
Social, Behavioral, and Economic Sciences	SU	47.075	11,961	
Education and Human Resources	SU	47.076	653,354	48,000
Polar Programs	SU	47.078	220,294	
International Science and Engineering	SU	47.079	26,904	
Other Federal Awards	SU	47.999	52,881	
Subtotal - Indirect Programs - Clustered			\$4,187,399	\$48,000
Indirect Programs - Not Clustered				
Engineering Grants	SU	47.041	248,242	
Mathematical and Physical Sciences	SU	47.049	53,183	
Geosciences	SU	47.050	4,521	
Computer and Information Science and Engineering	SU	47.070	42,819	
Biological Sciences	SU	47.074	33,428	
Social, Behavioral, and Economic Sciences	SU	47.075	10,231	
Education and Human Resources	SCC/ SU	47.076	4,520	
Subtotal - Indirect Programs - Not Clustered			\$396,944	
Subtotal - National Science Foundation			\$115,128,362	\$11,226,233
<b>U. S. Small Business Administration</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Small Business Development Center	SU	59.037	471,701	
Other Federal Awards	SU	59.999	508,499	
Subtotal - Direct Programs - Clustered			\$980,200	
Direct Programs - Not Clustered				
Small Business Development Center	SCC/ SU	59.037	7,651,888	179,119
Veterans Entrepreneurial Training and Counseling	SCC/ SU	59.044	298,451	146,164
Other Federal Awards	SCC	59.999	44,233	
Subtotal - Direct Programs - Not Clustered			\$7,994,572	\$325,283
Subtotal - U. S. Small Business Administration			\$8,974,772	\$325,283
<b>U. S. Department of Veterans Affairs</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Veterans State Hospital Care	SU	64.016	1,039	
Subtotal - Direct Programs - Clustered			\$1,039	
Direct Programs - Not Clustered				
Grants to States for Construction of State Home Facilities	FDVA	64.005	320,463	
Veterans Medical Care Benefits	SU	64.009	7,501	
Veterans State Domiciliary Care	FDVA	64.014	1,626,674	
Veterans State Nursing Home Care	FDVA	64.015	13,812,697	
Survivors and Dependents Educational Assistance	SU	64.117	887	
Vocational and Educational Counseling for Servicemembers and Veterans	SCC	64.125	2,600	
Subtotal - Direct Programs - Not Clustered			\$15,770,822	
Subtotal - U. S. Department of Veterans Affairs			\$15,771,861	
<b>U. S. Environmental Protection Agency</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	SU	66.034	89,929	
Congressionally Mandated Projects	SU	66.202	906,854	2,783
Water Pollution Control State, Interstate, and Tribal Program Support	SU	66.419	80,761	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	SU	66.436	1,033,779	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Water Quality Management Planning	SU	66.454	163,239	
National Estuary Program	SU	66.456	23,967	
Nonpoint Source Implementation Grants	SU	66.460	413,914	
Regional Wetland Program Development Grants	SU	66.461	3,901	
Gulf of Mexico Program	SU	66.475	213,915	900
Science To Achieve Results Research Program	SU	66.509	611,727	180,038
Greater Research Opportunities Fellowships For Undergraduate/Graduate Environmental Study	SU	66.513	28,509	
Science To Achieve Results Fellowship Program	SU	66.514	34,128	
P3 Award: National Student Design Competition for Sustainability	SU	66.516	9,757	
Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach	SU	66.716	69,504	
Hazardous Waste Management State Program Support	SU	66.801	40,297	
Environmental Education Grants	SU	66.951	9,941	
Other Federal Awards	SU	66.999	123,038	
Subtotal - Direct Programs - Clustered			\$3,857,160	\$183,721
Direct Programs - Not Clustered				
Air Pollution Control Program Support	FDEP/ FDOH	66.001	6,062,961	215,494
State Indoor Radon Grants	FDOH	66.032	201,256	69,191
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	FDEP/ FDOH	66.034	651,497	46,619
Congressionally Mandated Projects	SU	66.202	25,990	
Water Pollution Control State, Interstate, and Tribal Program Support	FDEP/ SU	66.419	6,135,074	596,430
State Public Water System Supervision	FDEP	66.432	3,845,615	14,452
State Underground Water Source Protection	FDEP	66.433	292,399	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	FFWCC	66.436	198,818	
Water Quality Management Planning	FDEP	66.454	395,589	230,662
Capitalization Grants for Clean Water State Revolving Funds	FDEP	66.458	38,984,298	38,984,298
Nonpoint Source Implementation Grants	FDACS/ FDEP/ SU	66.460	8,495,987	5,878,136
Regional Wetland Program Development Grants	FDEP	66.461	232,622	
Water Quality Cooperative Agreements	FDEP	66.463	44,864	
Wastewater Operator Training Grant Program (Technical Assistance)	SU	66.467	10,081	
Capitalization Grants for Drinking Water State Revolving Funds	FDEP	66.468	33,077,595	33,077,595
Beach Monitoring and Notification Program Implementation Grants	FDOH	66.472	503,541	
Water Protection Grants to the States	FDEP/ SU	66.474	185,395	
Gulf of Mexico Program	FDEP/ FDOH/ FFWCC/ SU	66.475	493,087	
Science To Achieve Results Research Program	SU	66.509	103,263	
Office of Research and Development Consolidated Research/Training	FDEP/ SU	66.511	95,466	
Science To Achieve Results Fellowship Program	SU	66.514	29,674	
Performance Partnership Grants	FDACS	66.605	754,766	
Environmental Information Exchange Network Grant Program and Related Assistance	FDEP	66.608	98,168	
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	FDOH	66.707	84,451	19,506
Pollution Prevention Grants Program	FDEP	66.708	34,298	
Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach	FDACS/ SU	66.716	69,862	
Hazardous Waste Management State Program Support	FDEP	66.801	2,876,740	
Superfund State, Political Subdivision, and Indian Tribe Site - Specific Cooperative Agreements	FDEP	66.802	752,137	
Solid Waste Management Assistance Grants	FDEP	66.808	3,500	
State and Tribal Response Program Grants	FDEP	66.817	631,107	
Other Federal Awards	FFWCC	66.999	8,725	
Subtotal - Direct Programs - Not Clustered			\$105,378,826	\$79,132,383
Indirect Programs - Clustered				
Research & Development Cluster:				

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Water Pollution Control State, Interstate, and Tribal Program Support	SU	66.419	7,531	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	SU	66.436	127,313	
Targeted Watersheds Grants	SU	66.439	1,904	
National Estuary Program	SU	66.456	25,324	
Wetland Program Grants - State/Tribal Environmental Outcome Wetland Demonstration Program	SU	66.479	4,499	
Science To Achieve Results Research Program	SU	66.509	39,428	
Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development	SU	66.510	31,512	
Environmental Education Grants	SU	66.951	12,460	
Other Federal Awards	SU	66.999	91,198	
Subtotal - Indirect Programs - Clustered			\$341,169	
Indirect Programs - Not Clustered				
Congressionally Mandated Projects	SU	66.202	188	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	SU	66.436	3,258	
National Estuary Program	FFWCC/ SU	66.456	93,509	
Subtotal - Indirect Programs - Not Clustered			\$96,955	
Subtotal - U. S. Environmental Protection Agency			\$109,674,110	\$79,316,104
<b>U. S. Nuclear Regulatory Commission</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	SU	77.008	29,553	
Subtotal - Direct Programs - Clustered			\$29,553	
Subtotal - U. S. Nuclear Regulatory Commission			\$29,553	
<b>U. S. Department of Energy</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
State Energy Program	SU	81.041	36,588	10,400
Office of Science Financial Assistance Program	SU	81.049	8,870,581	50,670
University Coal Research	SU	81.057	137,561	
Nuclear Waste Disposal Siting	SU	81.065	1,634	
Conservation Research and Development	SU	81.086	1,268,596	762,836
Renewable Energy Research and Development	SU	81.087	4,466,545	495,434
Fossil Energy Research and Development	SU	81.089	452,680	
Office of Environmental Cleanup and Acceleration	SU	81.104	3,247,484	22,025
National Industrial Competitiveness through Energy, Environment, and Economics	SU	81.105	27,824	
Stewardship Science Grant Program	SU	81.112	485,548	140,993
Defense Nuclear Nonproliferation Research	SU	81.113	30,940	
University Reactor Infrastructure and Education Support	SU	81.114	412,423	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	SU	81.117	334,633	
State Energy Program Special Projects	SU	81.119	84,175	
Nuclear Energy Research, Development and Demonstration	SU	81.121	349,476	
Electricity Delivery and Energy Reliability, Research, Development and Analysis	SU	81.122	542	
Other Federal Awards	SU	81.999	1,183,627	
Subtotal - Direct Programs - Clustered			\$21,390,857	\$1,482,358
Direct Programs - Not Clustered				
State Energy Program	FDEP/ SU	81.041	2,601,233	392,785
Weatherization Assistance for Low-Income Persons	FDCA	81.042	1,967,620	1,717,436
Office of Science Financial Assistance Program	SU	81.049	12,450	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Office of Scientific and Technical Information	SU	81.064	6,213	
Regional Biomass Energy Programs	SU	81.079	111,557	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	FDEP	81.117	16,597	
State Energy Program Special Projects	FDEP	81.119	185,965	105,437
Subtotal - Direct Programs - Not Clustered			\$4,901,635	\$2,215,658
Indirect Programs - Clustered				
Research & Development Cluster:				
State Energy Program	SU	81.041	88,215	
Office of Science Financial Assistance Program	SU	81.049	523,885	
Renewable Energy Research and Development	SU	81.087	905,278	
Fossil Energy Research and Development	SU	81.089	202,263	
Nuclear Energy Research, Development and Demonstration	SU	81.121	93,556	
National Nuclear Security Administration Minority Serving Institutions Program	SU	81.123	75,401	
Other Federal Awards	SU	81.999	1,266,627	18,000
Subtotal - Indirect Programs - Clustered			\$3,155,225	\$18,000
Indirect Programs - Not Clustered				
Office of Science Financial Assistance Program	SU	81.049	31,655	
Subtotal - Indirect Programs - Not Clustered			\$31,655	
Subtotal - U. S. Department of Energy			\$29,479,372	\$3,716,016
<b>Federal Emergency Management Agency</b>				
Direct Programs - Not Clustered				
Other Federal Awards	JAC	83.999	28,788	
Subtotal - Direct Programs - Not Clustered			\$28,788	
Subtotal - Federal Emergency Management Agency			\$28,788	
<b>U. S. Department of Education</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	SU	84.015	3,487	
Overseas - Faculty Research Abroad	SU	84.019	48,185	
Overseas - Doctoral Dissertation	SU	84.022	47,691	
Special Education - Grants to States	SU	84.027	3,219	
TRIO - Upward Bound	SU	84.047	676,804	
Fund for the Improvement of Postsecondary Education	SU	84.116	221,689	
Rehabilitation Long-Term Training	SU	84.129	190,152	
National Institute on Disability and Rehabilitation Research	SU	84.133	153,946	32,467
Safe and Drug-Free Schools and Communities - National Programs	SU	84.184	609,414	
Safe and Drug-Free Schools and Communities - State Grants	SU	84.186	40,293	
Graduate Assistance in Areas of National Need	SU	84.200	423,921	
Fund for the Improvement of Education	SU	84.215	34,604	
TRIO - McNair Post-Baccalaureate Achievement	SU	84.217	75,296	
Twenty-First Century Community Learning Centers	SU	84.287	1,517,845	
State Grants for Innovative Programs	SU	84.298	372,536	
Education Research, Development and Dissemination	SU	84.305	5,080,459	1,232,705
Special Education - State Personnel Development	SU	84.323	419,461	
Research in Special Education	SU	84.324	4,395,879	1,631,064
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	SU	84.325	2,034,574	57,043
Reading First State Grants	SU	84.357	9,766,014	1,125,506
Voluntary Public School Choice	SU	84.361	209,274	
Improving Teacher Quality State Grants	SU	84.367	3	
Other Federal Awards	SU	84.999	12,109	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Special Education Cluster:				
Special Education - Grants to States	FDOC/ FDOE/ FDOH/ FSDB/ SCC/ SU	84.027	589,557,375	562,849,453
Special Education - Preschool Grants	FDOE/ FDOH/ FSDB/ SU	84.173	19,262,285	16,980,741
Student Financial Aid Cluster:				
Federal Supplemental Educational Opportunity Grants	SCC/ SU	84.007	16,625,003	
Federal Family Education Loans	SCC/ SU	84.032	939,406,962	
Federal Work-Study Program	SCC/ SU	84.033	19,766,672	
Federal Perkins Loan Program - Federal Capital Contributions	SCC/ SU	84.038	93,013,123	
Federal Pell Grant Program	SCC/ SU	84.063	465,520,207	
Federal Direct Student Loans	SCC/ SU	84.268	221,918,388	
Academic Competitiveness Grants	SCC/ SU	84.375	12,191,037	
National Science and Mathematics Access to Retain Talent Grants	SCC/ SU	84.376	6,340,773	
TRIO Cluster:				
TRIO - Student Support Services	SCC/ SU	84.042	5,480,028	
TRIO - Talent Search	SCC/ SU	84.044	2,846,832	
TRIO - Upward Bound	SCC/ SU	84.047	3,881,636	
TRIO - Educational Opportunity Centers	SCC	84.066	1,198,717	
TRIO - McNair Post-Baccalaureate Achievement	SU	84.217	668,749	
Subtotal - Direct Programs - Clustered			<b>\$2,424,014,642</b>	<b>\$583,908,979</b>
Direct Programs - Not Clustered				
Adult Education - State Grant Program	FDOC/ FDOE/ SCC/ SU	84.002	41,423,573	30,858,293
Civil Rights Training and Advisory Services	SCC	84.004	5,526	
Title I Grants to Local Educational Agencies	FDOE/ FSDB/ SU	84.010	628,919,164	622,443,651
Migrant Education - State Grant Program	FDOE/ SU	84.011	22,958,766	22,278,652
Title I Program for Neglected and Delinquent Children	FDOC/ FDOE	84.013	1,222,800	152,316
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	SU	84.015	2,012,261	344,502
Undergraduate International Studies and Foreign Language Programs	SU	84.016	2,652	
International Research and Studies	SU	84.017	49,822	
Overseas - Faculty Research Abroad	SU	84.019	2,337	
Overseas - Group Projects Abroad	SU	84.021	154,206	
Overseas - Doctoral Dissertation	SU	84.022	28,890	
Higher Education - Institutional Aid	SCC/ SU	84.031	20,722,897	
Federal Family Education Loans	FDOE	84.032	745,711,453	
Perkins Loan Cancellations	SCC/ SU	84.037	672,545	
Career and Technical Education - Basic Grants to States	FDOC/ FDOE/ FSDB/ SCC/ SU	84.048	72,005,726	45,672,855
Leveraging Educational Assistance Partnership	FDOE/ SCC	84.069	3,510,685	
Fund for the Improvement of Postsecondary Education	SCC/ SU	84.116	2,945,453	983,457
Minority Science and Engineering Improvement	SU	84.120	242,598	
Rehabilitation Services - Vocational Rehabilitation Grants to States	FDOE/ SCC/ SU	84.126	166,456,177	
Rehabilitation Services - Service Projects	FDOE	84.128	12,200	
Rehabilitation Long-Term Training	SU	84.129	349,132	
National Institute on Disability and Rehabilitation Research	SU	84.133	763,489	35,900
Migrant Education - High School Equivalency Program	SU	84.141	432,395	
Migrant Education - College Assistance Migrant Program	SU	84.149	9,418	
Business and International Education Projects	SU	84.153	80,444	
Independent Living - State Grants	FDOE	84.169	844,589	
Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	FDOE/ SCC	84.177	1,947,097	
Special Education - Grants for Infants and Families with Disabilities	FDOE/ FDOH/ SU	84.181	20,276,283	17,005,943
Safe and Drug-Free Schools and Communities - National Programs	FDOE/ SU	84.184	268,366	
Byrd Honors Scholarships	FDOE/ SCC/ SU	84.185	2,299,831	
Safe and Drug-Free Schools and Communities - State Grants	FDLE/ FDOE/ FSDB/ SU	84.186	16,101,520	15,125,463
Supported Employment Services for Individuals with Severe Disabilities	FDOE	84.187	1,394,472	
Education for Homeless Children and Youth	FDOE	84.196	3,183,787	3,181,383
Graduate Assistance in Areas of National Need	SU	84.200	1,268,979	98,548

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Even Start - State Educational Agencies	FAWI/ FDOE/ SCC/ SU	84.213	3,996,949	2,817,646
Fund for the Improvement of Education	SCC/ SU	84.215	50,282	
Centers for International Business Education	SU	84.220	605,967	
Assistive Technology	FDOE	84.224	269,128	
Projects with Industry	SCC	84.234	9,069	
Rehabilitation Services Demonstration and Training Programs	SU	84.235	404,064	
Tech-Prep Education	FDOE/ SCC	84.243	5,051,843	3,092,948
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	FDOE	84.265	196,703	
Charter Schools	FDOE/ SCC/ SU	84.282	5,537,997	4,895,725
Twenty-First Century Community Learning Centers	FDOE/ SU	84.287	42,670,701	40,943,796
State Grants for Innovative Programs	FDOE/ FSDB/ SU	84.298	4,476,112	4,224,147
Education Research, Development and Dissemination	SU	84.305	488,717	
Parental Assistance Centers	SU	84.310	732,119	23,640
Education Technology State Grants	FDOE/ FSDB/ SU	84.318	14,364,938	12,694,208
Special Education - State Personnel Development	FDOE/ SCC/ SU	84.323	1,168,221	200,889
Research in Special Education	SU	84.324	318,699	121,017
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	SU	84.325	4,792,237	18,131
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	SU	84.326	1,856,960	63,604
Special Education - Studies and Evaluations	SU	84.329	55,767	
Grants to States for Incarcerated Youth Offenders	FDOC	84.331	1,130,125	
Comprehensive School Reform Demonstration	FDOE/ SU	84.332	1,287,645	1,006,847
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	SCC	84.333	64,415	
Gaining Early Awareness and Readiness for Undergraduate Programs	SU	84.334	1,636,521	354,590
Child Care Access Means Parents in School	SCC/ SU	84.335	818,534	
International Education - Technological Innovation and Cooperation for Foreign Information Access	SU	84.337	76,742	
Transition to Teaching	FDOE/ SCC/ SU	84.350	2,549,020	520,278
Reading First State Grants	FDOE/ SU	84.357	52,698,438	44,278,370
Rural Education	FDOE	84.358	2,213,228	2,141,236
Voluntary Public School Choice	FDOE/ SU	84.361	1,958,131	1,484,342
School Leadership	SU	84.363	39,645	
English Language Acquisition Grants	FDOE/ SU	84.365	52,661,049	46,559,571
Mathematics and Science Partnerships	FDOE/ SCC/ SU	84.366	13,537,566	12,331,058
Improving Teacher Quality State Grants	FDOC/ FDOE/ FSDB/ SU	84.367	132,749,544	123,951,243
Grants for State Assessments and Related Activities	FDOE	84.369	17,216,064	
Statewide Data Systems	FDOE	84.372	263,455	
School Improvement Grants	FDOE	84.377	576,865	304,277
Other Federal Awards	FDOE/ SCC/ SU	84.999	3,933,612	116,061
Subtotal - Direct Programs - Not Clustered			\$2,130,736,605	\$1,060,324,587
Indirect Programs - Clustered				
Research & Development Cluster:				
Fund for the Improvement of Postsecondary Education	SU	84.116	5,895	
National Institute on Disability and Rehabilitation Research	SU	84.133	54,778	
Fund for the Improvement of Education	SU	84.215	618,644	
Assistive Technology	SU	84.224	101,292	
Comprehensive Centers	SU	84.283	611,667	
Twenty-First Century Community Learning Centers	SU	84.287	13,000	
Education Research, Development and Dissemination	SU	84.305	128,652	
Education Technology State Grants	SU	84.318	127,000	
Research in Special Education	SU	84.324	254,372	
Early Childhood Educator Professional Development	SU	84.349	91,084	
Arts in Education	SU	84.351	30,307	
English Language Acquisition Grants	SU	84.365	25,948	
Mathematics and Science Partnerships	SU	84.366	742,175	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Other Federal Awards	SU	84.999	10,000	
Special Education Cluster:				
Special Education - Grants to States	SU	84.027	9,007	
Student Financial Aid Cluster:				
Federal Family Education Loans	SU	84.032	47,457	
TRIO Cluster:				
TRIO - Upward Bound	SU	84.047	9,903	
Subtotal - Indirect Programs - Clustered			<u>\$2,881,181</u>	
Indirect Programs - Not Clustered				
Adult Education - State Grant Program	SCC	84.002	292,663	
Title I Grants to Local Educational Agencies	SU	84.010	2,115	
Higher Education - Institutional Aid	SCC	84.031	133,918	
Career and Technical Education - Basic Grants to States	SCC	84.048	50,047	
Career and Technical Education - National Programs	SCC	84.051	25,345	
Fund for the Improvement of Postsecondary Education	SU	84.116	29,462	
Magnet Schools Assistance	SU	84.165	54,500	
Safe and Drug-Free Schools and Communities - National Programs	SU	84.184	231,445	
Adult Education - National Leadership Activities	SCC	84.191	5,454	
Fund for the Improvement of Education	SU	84.215	68,931	
Assistive Technology	SU	84.224	44,265	
Tech-Prep Education	SCC	84.243	116,854	
Charter Schools	SCC	84.282	175,656	
Comprehensive Centers	SU	84.283	1,779,786	
Ready-To-Learn Television	SU	84.295	7,113	
Civic Education - Cooperative Education Exchange Program	SCC/ SU	84.304	237,045	
Parental Assistance Centers	SU	84.310	35,373	
Education Technology State Grants	SU	84.318	161,596	
Research in Special Education	SU	84.324	190,061	
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	SU	84.325	76,688	
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	SU	84.326	140,932	
Gaining Early Awareness and Readiness for Undergraduate Programs	SU	84.334	174,050	
Transition to Teaching	SCC	84.350	220,867	
Early Reading First	SU	84.359	33,828	
Voluntary Public School Choice	SU	84.361	61,703	
English Language Acquisition Grants	SU	84.365	15,605	
Mathematics and Science Partnerships	SCC/ SU	84.366	790,453	
Improving Teacher Quality State Grants	SCC/ SU	84.367	52,301	
Teacher Incentive Fund	SU	84.374	87,932	
Other Federal Awards	SCC/ SU	84.999	421,127	
Subtotal - Indirect Programs - Not Clustered			<u>\$5,717,115</u>	
Subtotal - U. S. Department of Education			<u>\$4,563,349,543</u>	<u>\$1,644,233,566</u>
<b>Scholarship Foundation</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	85.999	4,127	
Subtotal - Direct Programs - Clustered			<u>\$4,127</u>	
Subtotal - Scholarship Foundation			<u>\$4,127</u>	
<b>National Archives and Records Administration</b>				
Direct Programs - Not Clustered				
National Historical Publications and Records Grants	FDOS	89.003	3,419	
Subtotal - Direct Programs - Not Clustered			<u>\$3,419</u>	
Subtotal - National Archives and Records Administration			<u>\$3,419</u>	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Election Assistance Commission				
Direct Programs - Clustered				
Research & Development Cluster:				
Help America Vote College Pollworker Program	SU	90.400	6,355	
Subtotal - Direct Programs - Clustered			\$6,355	
Direct Programs - Not Clustered				
Help America Vote College Pollworker Program	SU	90.400	83,999	
Help America Vote Act Requirements Payments	FDLE/ FDOS	90.401	34,168,864	17,598,751
Subtotal - Direct Programs - Not Clustered			\$34,252,863	\$17,598,751
Subtotal - Election Assistance Commission			\$34,259,218	\$17,598,751
U. S. Institute of Peace				
Direct Programs - Not Clustered				
Other Federal Awards	SU	91.999	2,204	
Subtotal - Direct Programs - Not Clustered			\$2,204	
Subtotal - U. S. Institute of Peace			\$2,204	
U. S. Department of Health and Human Services				
Direct Programs - Clustered				
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	FDOEA	93.044	32,002,168	27,098,918
Special Programs for the Aging - Title III, Part C - Nutrition Services	FDOEA	93.045	39,233,213	32,937,662
Nutrition Services Incentive Program	FDOEA	93.053	7,147,985	6,588,354
CCDF - Child Care Cluster:				
Child Care and Development Block Grant	FAWI/ FDCFS/ FDOE/ FDOH/ SCC/ SU	93.575	230,243,597	215,081,045
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	FAWI	93.596	153,062,537	153,062,537
Medicaid Cluster:				
State Medicaid Fraud Control Units	FDLA	93.775	15,366,997	
State Survey and Certification of Health Care Providers and Suppliers	FAHCA/ FDOH	93.777	18,853,324	
Medical Assistance Program	FAHCA/ FAPD/ FDCFS/ FDOEA/ FDOH/ SCC/ SU	93.778	8,597,609,566	28,451,667
Research & Development Cluster:				
State and Territorial and Technical Assistance Capacity Development	SU	93.006	92,167	
Minority HIV/AIDS Demonstration Program				
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	SU	93.048	403,134	34,348
Innovations in Applied Public Health Research	SU	93.061	96,943	
Centers for Genomics and Public Health	SU	93.063	63,950	
Healthy Marriage Promotion and Responsible Fatherhood Grants	SU	93.086	851,272	
Food and Drug Administration - Research	SU	93.103	235,618	130,252
Maternal and Child Health Federal Consolidated Programs	SU	93.110	490,239	111,440
Environmental Health	SU	93.113	2,782,887	407,344
Oral Diseases and Disorders Research	SU	93.121	6,382,704	661,177
Nurse Anesthetist Traineeships	SU	93.124	21,816	
Injury Prevention and Control Research and State and Community Based Programs	SU	93.136	18,868	
NIEHS Superfund Hazardous Substances - Basic Research and Education	SU	93.143	423,712	
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	SU	93.153	453,306	105,936
Health Program for Toxic Substances and Disease Registry	SU	93.161	38,753	
Research Related to Deafness and Communication Disorders	SU	93.173	3,998,513	138,754
Research and Training in Complementary and Alternative Medicine	SU	93.213	391,833	
Research on Healthcare Costs, Quality and Outcomes	SU	93.226	152,958	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
National Center on Sleep Disorders Research	SU	93.233	227,368	
Mental Health Research Grants	SU	93.242	5,748,645	829,979
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	SU	93.243	130,657	5,237
Advanced Education Nursing Grant Program	SU	93.247	207,131	
Occupational Safety and Health Program	SU	93.262	1,252	
Alcohol National Research Service Awards for Research Training	SU	93.272	34,287	
Alcohol Research Programs	SU	93.273	4,438,130	118,887
Drug Abuse and Addiction Research Programs	SU	93.279	8,410,913	955,593
Mental Health Research Career/Scientist Development Awards	SU	93.281	14,350	
Mental Health National Research Service Awards for Research Training	SU	93.282	65,564	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	SU	93.283	222,052	
Discovery and Applied Research for Technological Innovations to Improve Human Health	SU	93.286	2,076,156	73,407
Minority Health and Health Disparities Research	SU	93.307	1,313,173	816,262
Trans-NIH Research Support	SU	93.310	167,362	
Advanced Education Nursing Traineeships	SU	93.358	133,738	
Nursing Research	SU	93.361	3,464,656	381,805
National Center for Research Resources	SU	93.389	8,605,249	1,604,321
Cancer Cause and Prevention Research	SU	93.393	3,556,974	183,572
Cancer Detection and Diagnosis Research	SU	93.394	812,710	82,946
Cancer Treatment Research	SU	93.395	1,699,961	85,369
Cancer Biology Research	SU	93.396	2,827,925	52,170
Cancer Centers Support Grants	SU	93.397	30,942	
Cancer Research Manpower	SU	93.398	661,833	13,011
Cancer Control	SU	93.399	1,219,747	46,271
Social Services Research and Demonstration	SU	93.647	220,134	130,394
Foster Care - Title IV-E	SU	93.658	1,148,470	
Family Violence Prevention and Services/Grants for Battered Womens Shelters - Grants to States and Indian Tribes	SU	93.671	387,563	
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	SU	93.779	9,401	
Heart and Vascular Diseases Research	SU	93.837	10,112,071	724,880
Lung Diseases Research	SU	93.838	2,545,871	170,672
Blood Diseases and Resources Research	SU	93.839	3,622,646	101,217
Arthritis, Musculoskeletal and Skin Diseases Research	SU	93.846	3,237,967	282,372
Diabetes, Digestive, and Kidney Diseases Extramural Research	SU	93.847	16,915,115	2,819,913
Extramural Research Programs in the Neurosciences and Neurological Disorders	SU	93.853	15,006,023	1,465,096
Allergy, Immunology and Transplantation Research	SU	93.855	14,581,027	1,502,727
Microbiology and Infectious Diseases Research	SU	93.856	2,414,836	297,069
Biomedical Research and Research Training	SU	93.859	16,083,144	2,281,935
Child Health and Human Development Extramural Research	SU	93.865	6,853,493	611,888
Aging Research	SU	93.866	10,265,945	2,837,956
Vision Research	SU	93.867	6,132,791	238,096
Health Care and Other Facilities	SU	93.887	717,052	
Scholarships for Health Professions Students from Disadvantaged Backgrounds	SU	93.925	413,197	
Assistance Programs for Chronic Disease Prevention and Control	SU	93.945	443,682	
Block Grants for Community Mental Health Services	SU	93.958	150,448	
Coal Miners Respiratory Impairment Treatment Clinics and Services	SU	93.965	8,372	
International Research and Research Training	SU	93.989	35,032	
Other Federal Awards	SU	93.999	6,351,009	55,517
Student Financial Aid Cluster:				
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	SU	93.342	5,064,274	
Nursing Student Loans	SCC/ SU	93.364	88,210	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Scholarships for Health Professions Students from Disadvantaged Backgrounds	SCC/ SU	93.925	1,657,746	
Subtotal - Direct Programs - Clustered			\$9,280,954,354	\$483,577,996
Direct Programs - Not Clustered				
Cooperative Agreements to Improve the Health Status of Minority Populations	SU	93.004	621	
State and Territorial and Technical Assistance Capacity Development	FDOH	93.006	316,768	75,536
Minority HIV/AIDS Demonstration Program				
Medical Reserve Corps Small Grant Program	FDOH	93.008	26,004	
Community-Based Abstinence Education	FDOH	93.010	541,736	
HIV Prevention Programs for Women	SU	93.015	99,510	
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	FDOEA	93.041	396,144	180,400
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	FDOEA	93.042	1,600,587	
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	FDOEA	93.043	1,511,695	1,304,462
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	FDOEA/ FDOH	93.048	505,078	193,064
Alzheimers Disease Demonstration Grants to States	FDOEA	93.051	306,819	170,906
National Family Caregiver Support	FDOEA	93.052	12,753,306	9,544,043
Public Health Emergency Preparedness	FDOH/ SU	93.069	33,360,870	1,030,000
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	FDCFS/ SU	93.104	24,356	
Model State-Supported Area Health Education Centers	SU	93.107	401,568	314,095
Maternal and Child Health Federal Consolidated Programs	FDOH/ SU	93.110	1,010,097	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	FDOH	93.116	6,360,543	35,589
Oral Diseases and Disorders Research	SU	93.121	687,100	
Nurse Anesthetist Traineeships	SU	93.124	2,952	
Emergency Medical Services for Children	FDOH	93.127	122,391	
Primary Care Services Resource Coordination and Development	FDOH	93.130	359,915	50,000
Centers for Research and Demonstration for Health Promotion and Disease Prevention	SU	93.135	853,703	116,212
Injury Prevention and Control Research and State and Community Based Programs	FDOH/ SU	93.136	2,542,758	1,240,643
Community Programs to Improve Minority Health Grant Program	SU	93.137	32,881	
AIDS Education and Training Centers	FDOH/ SU	93.145	2,336,880	744,499
Projects for Assistance in Transition from Homelessness	FDCFS/ SU	93.150	3,461,138	3,198,184
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	SU	93.153	1,844,272	689,758
Research Related to Deafness and Communication Disorders	SU	93.173	333,065	
Disabilities Prevention	SU	93.184	345,500	18,087
Childhood Lead Poisoning Prevention Projects - State and Local	FDOH	93.197	959,718	
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children				
Surveillance of Hazardous Substance Emergency Events	FDOH	93.204	79,416	55,851
Family Planning - Services	FDOH	93.217	9,812,588	87,760
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	FDOH	93.224	9,279,646	
Consolidated Knowledge Development and Application Program	FDCFS	93.230	24,318	
Traumatic Brain Injury State Demonstration Grant Program	FDOH	93.234	100,000	100,000
Abstinence Education Program	FDOH	93.235	3,222,151	2,304,234
Grants for Dental Public Health Residency Training	SU	93.236	115,236	5,000
Policy Research and Evaluation Grants	SU	93.239	468,623	76,239
State Capacity Building	FDOH	93.240	491,849	
State Rural Hospital Flexibility Program	FDOH	93.241	616,284	
Mental Health Research Grants	SU	93.242	29,245	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	FDCFS/ SCC/ SU	93.243	7,121,054	2,513,248
Advanced Education Nursing Grant Program	SU	93.247	415,062	
Universal Newborn Hearing Screening	FDOH	93.251	313,685	12,700
Poison Control Stabilization and Enhancement Grants	SU	93.253	384,938	323,879
Rural Access to Emergency Devices Grant	FDOH	93.259	91,100	
Occupational Safety and Health Program	SU	93.262	626,792	13,653
Nurse Faculty Loan Program	SU	93.264	234,377	
Immunization Grants ((1))	FDOH	93.268	162,436,614	415,037
Alcohol National Research Service Awards for Research Training	SU	93.272	19,978	
Substance Abuse and Mental Health Services-Access to Recovery	FDCFS/ SU	93.275	3,141,956	31,825
Drug Abuse and Addiction Research Programs	SU	93.279	102,876	
Mental Health Research Career/Scientist Development Awards	SU	93.281	68,884	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	FDACS/ FDOH/ FFWCC/ SU	93.283	22,093,154	2,553,788
Small Rural Hospital Improvement Grant Program	FDOH	93.301	143,924	
Minority Health and Health Disparities Research	SU	93.307	621,739	
Advanced Education Nursing Traineeships	SU	93.358	345,302	
Nurse Education, Practice and Retention Grants	SCC/ SU	93.359	716,842	
Nursing Research	SU	93.361	415,299	62,885
National Center for Research Resources	SU	93.389	3,032,308	
Cancer Research Manpower	SU	93.398	564,145	
Cancer Control	SU	93.399	64,539	
Food Safety and Security Monitoring Project	FDACS	93.448	535,207	
Ruminant Feed Ban Support Project	FDACS	93.449	230,485	
Promoting Safe and Stable Families	FDCFS/ SU	93.556	18,264,392	17,414,275
Temporary Assistance for Needy Families	FAWI/ FDCFS/ FDLE/ FDMA/ FDOE/ FDOH/ SU	93.558	473,491,859	329,528,503
Child Support Enforcement	Courts/ FDOR/ JAC	93.563	219,122,674	24,520,753
Refugee and Entrant Assistance - State Administered Programs	FAHCA/ FDCFS/ FDOH/ SCC/ SU	93.566	81,526,597	19,085,904
Low-Income Home Energy Assistance	FDCA/ FDOEA	93.568	32,460,968	31,600,989
Community Services Block Grant	FDCA/ SU	93.569	18,667,795	18,405,814
Community Services Block Grant - Discretionary Awards	SU	93.570	44,231	
Refugee and Entrant Assistance - Discretionary Grants	FDCFS/ FDOE/ FDOH/ SCC/ SU	93.576	15,488,829	13,442,163
U.S. Repatriation	FDCFS	93.579	7,538	
Refugee and Entrant Assistance - Targeted Assistance Grants	FDCFS	93.584	12,862,909	12,751,593
State Court Improvement Program	Courts	93.586	1,454,332	
Community-Based Child Abuse Prevention Grants	FDCFS	93.590	1,471,727	648,153
Grants to States for Access and Visitation Programs	FDCFS	93.597	472,042	471,461
Chafee Education and Training Vouchers Program	FDCFS	93.599	1,878,260	1,878,260
Head Start	SU	93.600	1,632,049	208,200
Voting Access for Individuals with Disabilities - Grants to States	FDOS	93.617	315,133	315,133
Developmental Disabilities Basic Support and Advocacy Grants	SU	93.630	358,233	
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	SU	93.632	543,905	
Childrens Justice Grants to States	FDCFS/ FDLE/ JAC/ SU	93.643	1,585,587	286,381
Child Welfare Services - State Grants	FDCFS/ SU	93.645	15,114,846	9,816,200
Foster Care - Title IV-E	FDCFS/ FDJJ/ SU	93.658	160,835,480	131,876,857
Adoption Assistance	FDCFS/ SU	93.659	69,878,000	64,737,278
Social Services Block Grant	FAHCA/ FAPD/ FAWI/ FDCFS/ FDJJ/ FDOEA/ FDOH	93.667	185,710,783	49,356,262
Child Abuse and Neglect State Grants	FDCFS	93.669	1,373,522	1,372,712
Family Violence Prevention and Services/Grants for Battered Womens Shelters - Grants to States and Indian Tribes	FDCFS	93.671	3,474,846	3,389,935
Chafee Foster Care Independence Program	FDCFS	93.674	6,074,897	6,055,863

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
State Childrens Insurance Program	FAHCA/ FDCFS/ FDOH/ SU	93.767	312,196,808	197,415,668
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	FAPD	93.768	513,274	
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	FAPD/ FDOEA/ SU	93.779	2,476,299	1,012,212
Medicaid Transformation Grants	FAHCA	93.793	1,046,160	
Heart and Vascular Diseases Research	SU	93.837	243,416	
Lung Diseases Research	SU	93.838	64,977	
Blood Diseases and Resources Research	SU	93.839	7,570	
Arthritis, Musculoskeletal and Skin Diseases Research	SU	93.846	205,339	
Diabetes, Digestive, and Kidney Diseases Extramural Research	SU	93.847	155,247	
Extramural Research Programs in the Neurosciences and Neurological Disorders	SU	93.853	179,815	
Allergy, Immunology and Transplantation Research	SU	93.855	78,777	
Biomedical Research and Research Training	SCC/ SU	93.859	591,082	
Child Health and Human Development Extramural Research	SCC/ SU	93.865	597,692	
Aging Research	SU	93.866	385,394	
Vision Research	SU	93.867	175,901	
Grants for Training in Primary Care Medicine and Dentistry	SU	93.884	674	
Health Care and Other Facilities	SCC/ SU	93.887	3,441,591	
National Bioterrorism Hospital Preparedness Program	FDOH/ SU	93.889	20,586,807	425,833
Grants to States for Operation of Offices of Rural Health	FDOH	93.913	143,231	72,000
HIV Care Formula Grants	FDOH/ SU	93.917	120,595,585	16,444,180
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	FDOH/ SU	93.918	3,243,394	257,225
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	FDOH	93.919	4,417,030	2,521,699
Healthy Start Initiative	FDOH/ SU	93.926	2,378,472	197,131
Native Hawaiian Health Systems	SU	93.932	141,799	70,000
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	FDOE/ FDOH/ SU	93.938	601,348	
HIV Prevention Activities - Health Department Based	FDOC/ FDOH/ SU	93.940	22,305,109	5,576,384
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome and Human Immunodeficiency Virus Infection in Selected Population Groups	FDOH/ SU	93.943	237,461	
Human Immunodeficiency Virus/Acquired Immunodeficiency Virus Syndrome Surveillance	FDOH	93.944	4,384,575	41,202
Assistance Programs for Chronic Disease Prevention and Control	FDOH	93.945	5,597	
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	FDOH	93.946	113,679	
Block Grants for Community Mental Health Services	FDCFS	93.958	24,756,657	24,149,953
Block Grants for Prevention and Treatment of Substance Abuse	FDCFS/ FDOH/ SU	93.959	94,664,503	89,765,773
Public Health Traineeships	SU	93.964	46,926	
Geriatric Education Centers	SU	93.969	260,682	59,081
Preventive Health Services - Sexually Transmitted Diseases Control Grants	FDOH	93.977	4,423,884	6,406
Preventive Health Services - Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	FDOH/ SU	93.978	537,990	
Mental Health Disaster Assistance and Emergency Mental Health	FDCFS	93.982	816,231	505,632
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	FDOH/ SU	93.988	600,720	
International Research and Research Training	SU	93.989	143,009	
Preventive Health and Health Services Block Grant	FDOH	93.991	3,572,966	232,643
Maternal and Child Health Services Block Grant to the States	FDOH	93.994	22,300,076	11,197,126
Other Federal Awards	FFWCC/ SU	93.999	1,027,438	
Subtotal - Direct Programs - Not Clustered			\$2,279,834,210	\$1,114,574,414
Indirect Programs - Clustered				

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
CCDF - Child Care Cluster:				
Child Care and Development Block Grant	FDOH/ SU	93.575	490,583	
Medicaid Cluster:				
Medical Assistance Program	FDOH/ SU	93.778	1,289,889	29,662
Research & Development Cluster:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	SU	93.104	360,102	
Model State-Supported Area Health Education Centers	SU	93.107	341	
Maternal and Child Health Federal Consolidated Programs	SU	93.110	43,071	
Environmental Health	SU	93.113	34,469	
Oral Diseases and Disorders Research	SU	93.121	497,267	
Community Programs to Improve Minority Health Grant Program	SU	93.137	28,995	
Rural Health Research Centers	SU	93.155	25,786	
Centers of Excellence	SU	93.157	1,500	
Human Genome Research	SU	93.172	262,245	
Research Related to Deafness and Communication Disorders	SU	93.173	75,786	
Allied Health Special Projects	SU	93.191	17,978	
Research and Training in Complementary and Alternative Medicine	SU	93.213	4,857	
Research on Healthcare Costs, Quality and Outcomes	SU	93.226	83,137	
National Center on Sleep Disorders Research	SU	93.233	50,039	
Policy Research and Evaluation Grants	SU	93.239	1,579	
Mental Health Research Grants	SU	93.242	749,585	
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	SU	93.243	100,800	
Alcohol Research Programs	SU	93.273	55,104	
Drug Abuse and Addiction Research Programs	SU	93.279	112,465	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	SU	93.283	308,249	
Discovery and Applied Research for Technological Innovations to Improve Human Health	SU	93.286	161,535	
Nursing Research	SU	93.361	52,217	
National Center for Research Resources	SU	93.389	251,182	
Cancer Cause and Prevention Research	SU	93.393	106,659	
Cancer Detection and Diagnosis Research	SU	93.394	111,368	
Cancer Treatment Research	SU	93.395	506,239	3,156
Cancer Centers Support Grants	SU	93.397	90,680	
Cancer Research Manpower	SU	93.398	2	
Cancer Control	SU	93.399	75,616	
Early Learning Fund	SU	93.577	30,206	
Developmental Disabilities Basic Support and Advocacy Grants	SU	93.630	4,940	
Heart and Vascular Diseases Research	SU	93.837	55,028	
Lung Diseases Research	SU	93.838	219,110	
Blood Diseases and Resources Research	SU	93.839	324,961	
Arthritis, Musculoskeletal and Skin Diseases Research	SU	93.846	413,415	
Diabetes, Digestive, and Kidney Diseases Extramural Research	SU	93.847	318,802	
Extramural Research Programs in the Neurosciences and Neurological Disorders	SU	93.853	748,739	
Allergy, Immunology and Transplantation Research	SU	93.855	632,050	
Microbiology and Infectious Diseases Research	SU	93.856	285,835	
Biomedical Research and Research Training	SU	93.859	596,461	
Child Health and Human Development Extramural Research	SU	93.865	1,364,100	
Aging Research	SU	93.866	466,384	
Vision Research	SU	93.867	206,223	102,331
Preventive Health and Health Services Block Grant	SU	93.991	91	
Other Federal Awards	SU	93.999	511,871	
Student Financial Aid Cluster:				
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	SU	93.342	27,511	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Subtotal - Indirect Programs - Clustered			\$12,155,052	\$135,149
Indirect Programs - Not Clustered				
Medical Reserve Corps Small Grant Program	FDOH	93.008	5,000	
Community-Based Abstinence Education	FDOH	93.010	32,625	
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	SU	93.043	28,236	
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	SU	93.048	11,224	
National Family Caregiver Support	SU	93.052	110,323	
Healthy Marriage Promotion and Responsible Fatherhood Grants	SU	93.086	46,804	
Health Disparities in Minority Health	FDOH	93.100	102,213	
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	FDOH/ SU	93.104	764,800	
Model State-Supported Area Health Education Centers	SU	93.107	96	
Maternal and Child Health Federal Consolidated Programs	SU	93.110	26,326	
Centers for Research and Demonstration for Health Promotion and Disease Prevention	FDOH	93.135	12,698	
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	SU	93.153	476,003	43,615
Nursing Workforce Diversity	SCC	93.178	53,216	
Health Education and Training Centers	SU	93.189	204	
Allied Health Special Projects	SU	93.191	211	
Research on Healthcare Costs, Quality and Outcomes	SU	93.226	1,701	
Consolidated Knowledge Development and Application Program	SU	93.230	23,204	
Mental Health Research Grants	SU	93.242	33,069	
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	SU	93.243	497,814	
Occupational Safety and Health Program	SU	93.262	5,661	
Drug Abuse and Addiction Research Programs	SU	93.279	864,215	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	SU	93.283	14,323	
Discovery and Applied Research for Technological Innovations to Improve Human Health	SU	93.286	33,345	
Nursing Research	FDOH	93.361	43,019	
Cancer Detection and Diagnosis Research	SU	93.394	3,054	
Cancer Treatment Research	SU	93.395	48,121	
Cancer Biology Research	SU	93.396	12,477	
Temporary Assistance for Needy Families	FDOH/ SCC/ SU	93.558	1,691,665	
Refugee and Entrant Assistance - State Administered Programs	SU	93.566	5,803	
Community Services Block Grant - Discretionary Awards	SU	93.570	12,575	
Early Learning Fund	SCC	93.577	848	
Community-Based Child Abuse Prevention Grants	SU	93.590	153,026	
Head Start	SCC/ SU	93.600	140,954	
Developmental Disabilities Basic Support and Advocacy Grants	SCC/ SU	93.630	6,217	3,840
Child Welfare Services Training Grants	SU	93.648	125,534	
Adoption Opportunities	SU	93.652	91,360	
Foster Care - Title IV-E	SU	93.658	1,008,927	
Child Abuse and Neglect Discretionary Activities	FDCFS	93.670	138,667	
State Childrens Insurance Program	FDOH/ SU	93.767	49,420	
Diabetes, Digestive, and Kidney Diseases Extramural Research	SU	93.847	2,173	
Extramural Research Programs in the Neurosciences and Neurological Disorders	SU	93.853	1,674	
Biomedical Research and Research Training	SCC	93.859	11,929	
Child Health and Human Development Extramural Research	SU	93.865	131,475	
Medical Library Assistance	SU	93.879	8,131	
HIV Emergency Relief Project Grants	FDOH	93.914	9,956,850	
HIV Care Formula Grants	FDOH	93.917	56,420	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	FDOH	93.918	218,512	
Healthy Start Initiative	FDOH/ SU	93.926	363,989	
HIV Prevention Activities - Health Department Based	FDOH/ SU	93.940	55,303	
Block Grants for Prevention and Treatment of Substance Abuse	SU	93.959	95,161	
Preventive Health and Health Services Block Grant	SU	93.991	26,812	
Maternal and Child Health Services Block Grant to the States	FDOH	93.994	1,395,941	
Bioterrorism Training and Curriculum Development Program	SCC	93.996	205,930	
Other Federal Awards	SCC/ SU	93.999	395,187	
Subtotal - Indirect Programs - Not Clustered			\$19,600,465	\$47,455
Subtotal - U. S. Department of Health and Human Services			\$11,592,544,081	\$1,598,335,014
<b>U. S. Corporation for National and Community Service</b>				
Direct Programs - Clustered				
Foster Grandparent/Senior Companion Cluster:				
Senior Companion Program	FDOEA	94.016	327,426	221,808
Subtotal - Direct Programs - Clustered			\$327,426	\$221,808
Direct Programs - Not Clustered				
Retired and Senior Volunteer Program	FEOG/ SCC	94.002	298,123	
State Commissions	FEOG	94.003	595,853	
Learn and Serve America - School and Community Based Programs	FDOE/ SCC/ SU	94.004	1,485,017	1,041,884
AmeriCorps	FEOG/ SCC	94.006	4,150,783	3,653,400
Planning and Program Development Grants	FEOG/ SCC	94.007	225,805	
Training and Technical Assistance	FEOG	94.009	226,777	
Volunteers in Service to America	FEOG/ SU	94.013	152,695	
Subtotal - Direct Programs - Not Clustered			\$7,135,053	\$4,695,284
Indirect Programs - Clustered				
Research & Development Cluster:				
AmeriCorps	SU	94.006	11,072	
Subtotal - Indirect Programs - Clustered			\$11,072	
Indirect Programs - Not Clustered				
Learn and Serve America - School and Community Based Programs	SU	94.004	24,348	
AmeriCorps	FDEP/ FDOEA/ SU	94.006	752,603	81,211
Planning and Program Development Grants	SCC	94.007	16,573	
Volunteers in Service to America	SU	94.013	2,089	
Subtotal - Indirect Programs - Not Clustered			\$795,613	\$81,211
Subtotal - U. S. Corporation for National and Community Service			\$8,269,164	\$4,998,303
<b>U. S. Social Security Administration</b>				
Direct Programs - Clustered				
Disability Insurance/SSI Cluster:				
Social Security - Disability Insurance	FDLE/ FDOH	96.001	96,146,916	
Subtotal - Direct Programs - Clustered			\$96,146,916	
Subtotal - U. S. Social Security Administration			\$96,146,916	
<b>U. S. Department of Homeland Security</b>				
Direct Programs - Clustered				
Homeland Security Cluster:				
State Domestic Preparedness Equipment Support Program	FDACS/ FDCA/ FDFS/ FDLE/ FDMS/ SU	97.004	8,154,347	905,567
Homeland Security Grant Program	FDACS/ FDCA/ FDFS/ FDHSMV/ FDLE/ FDMS/ FDOE/ FDOH/ FFWCC/ SCC/ SU	97.067	50,373,505	31,168,562
Research & Development Cluster:				
Hazard Mitigation Grant	SU	97.039	60,197	

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Competitive Training Grants	SU	97.068	2,084,564	482,555
Other Federal Awards	SU	97.999	31,384	
Subtotal - Direct Programs - Clustered			<u>\$60,703,997</u>	<u>\$32,556,684</u>
Direct Programs - Not Clustered				
Homeland Security Preparedness Technical Assistance Program	SCC	97.007	262,246	
Urban Areas Security Initiative	FDCA	97.008	1,078,426	1,060,769
Boating Safety Financial Assistance	FFWCC	97.012	8,770,860	
Flood Mitigation Assistance	FDCA	97.029	3,192,140	2,933,265
Crisis Counseling	FDCA/ FDCFS	97.032	77,786	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FDACS/ FDCA/ FDEP/ FDHSMV/ FDMA/ FDOC/ FDOE/ FDOH/ FDOT/ FEOG/ FFWCC/ SCC/ SU	97.036	526,491,069	318,310,323
Hazard Mitigation Grant	FDACS/ FDCA/ FDOH/ SU	97.039	76,054,927	26,477,580
National Dam Safety Program	FDEP	97.041	24,187	
Emergency Management Performance Grants	FDCA	97.042	8,139,850	2,622,236
Fire Management Assistance Grant	FDCA/ FDOH/ FDOT	97.046	4,452,619	4,059,245
Pre-Disaster Mitigation	FDCA	97.047	240,714	240,714
Law Enforcement Terrorism Prevention Program	FDLE/ FDOT	97.074	4,851,662	1,473,236
Rail and Transit Security Grant Program	FDCA	97.075	1,957	1,957
Homeland Security Testing, Evaluation, and Demonstration of Technologies	FDOT	97.077	120,797	1,794,510
Buffer Zone Protection Plan	FDLE	97.078	1,239,158	1,239,158
Repetitive Flood Claims	FDCA	97.092	1,613,157	1,610,449
Other Federal Awards	FDCA/ FDLE	97.999	6,348,542	6,323,941
Subtotal - Direct Programs - Not Clustered			<u>\$642,960,097</u>	<u>\$368,147,383</u>
Indirect Programs - Clustered				
Homeland Security Cluster:				
Homeland Security Grant Program	FDOH/ SU	97.067	240,755	
Research & Development Cluster:				
Other Federal Awards	SU	97.999	16,363	
Subtotal - Indirect Programs - Clustered			<u>\$257,118</u>	
Indirect Programs - Not Clustered				
Urban Areas Security Initiative	SU	97.008	43,182	
Subtotal - Indirect Programs - Not Clustered			<u>\$43,182</u>	
Subtotal - U. S. Department of Homeland Security			<u>\$703,964,394</u>	<u>\$400,704,067</u>
<b>U. S. Agency for International Development</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
USAID Foreign Assistance for Programs Overseas	SU	98.001	6,558,861	1,933,122
John Ogonowski Farmer-to-Farmer Program	SU	98.009	311,680	
Subtotal - Direct Programs - Clustered			<u>\$6,870,541</u>	<u>\$1,933,122</u>
Indirect Programs - Clustered				
Research & Development Cluster:				
USAID Foreign Assistance for Programs Overseas	SU	98.001	69,102	
Cooperative Development Program	SU	98.002	80,141	
John Ogonowski Farmer-to-Farmer Program	SU	98.009	196,658	
USAID Development Partnerships for University Cooperation and Development	SU	98.012	57,656	2,906
Subtotal - Indirect Programs - Clustered			<u>\$403,557</u>	<u>\$2,906</u>
Indirect Programs - Not Clustered				
USAID Foreign Assistance for Programs Overseas	SU	98.001	4,582	
Cooperative Development Program	SU	98.002	313,607	990

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**For the Fiscal Year Ended June 30, 2008**

FEDERAL AWARDING AGENCY / PROGRAM NAME	ADMINISTERING AGENCY	CFDA #	2007-2008	2007-2008
			EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
Other Federal Awards	SCC	98.999	617,431	
Subtotal - Indirect Programs - Not Clustered			\$935,620	\$990
Subtotal - U. S. Agency for International Development			\$8,209,718	\$1,937,018
<b>Other Federal Grants</b>				
Direct Programs - Clustered				
Research & Development Cluster:				
Other Federal Awards	SU	99.999	8,201	
Subtotal - Direct Programs - Clustered			\$8,201	
Direct Programs - Not Clustered				
Other Federal Awards	SU	99.999	11,564	
Subtotal - Direct Programs - Not Clustered			\$11,564	
Indirect Programs - Not Clustered				
Other Federal Awards	SCC	99.999	293,865	
Subtotal - Indirect Programs - Not Clustered			\$293,865	
Subtotal - Other Federal Grants			\$313,630	
<b>Program Totals</b>				
<b>Direct Total Federal Awards Expenditures</b>			<b>\$24,428,227,283</b>	<b>\$5,006,419,316</b>
<b>Indirect Total Federal Awards Expenditures</b>			<b>\$77,416,389</b>	<b>\$1,355,105</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$24,505,643,672</b>	<b>\$5,007,774,421</b>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(1) These items include non-cash assistance.

# NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

## For the Fiscal Year Ended June 30, 2008

### ***NOTE 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES***

The Schedule of Expenditures of Federal Awards has been prepared in accordance with the United States Office of Management and Budget (OMB) Circular A-133 and presents Federal awards expended by the State of Florida. The Single Audit Act Amendments of 1996 (Public Law 104-156) and the OMB Circular A-133 define Federal awards as Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. Federal financial assistance is defined as assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance.

The following summary of the State of Florida's significant accounting policies and related information is presented to assist the reader in interpreting the Schedule of Expenditures of Federal Awards and should be viewed as an integral part of the accompanying schedule.

- **Reporting Entity**

The reporting entity for the purposes of the accompanying schedule is the State of Florida primary government (i.e., legislative agencies, the Governor and Cabinet, departments and agencies, including Volunteer Florida, commissions, boards of the Executive Branch, and various offices relating to the Judicial Branch), the State Universities (SU), and the State Community Colleges (SCC), exclusive of any component units of the State Universities and Community Colleges.

- **Catalog of Federal Domestic Assistance**

The Catalog of Federal Domestic Assistance is a government-wide compendium of individual Federal programs. A five-digit program identification number (CFDA No.) is assigned to each program included in the catalog. Those programs that have not been assigned a CFDA number by the Federal Government and those programs for which CFDA numbers could not be identified are listed as CFDA No. XX.999 entitled "Other Federal Awards" and are on the accompanying schedule. Note 5 further identifies these awards by a required agency-specific identifier.

- **Expenditures**

The column on the accompanying schedule captioned "2007-2008 Expenditures" includes amounts using different

bases of accounting. The reporting entities also include transfers from other State agencies, universities, and community colleges in this column.

Amounts reported on the accompanying schedule consist of amounts expended from Federal programs by those entities determined in accordance with the accrual, modified accrual, and cash basis of accounting.

The State agencies reported expenditures in accordance with the modified accrual basis of accounting except for amounts for the Unemployment Insurance (UI) Program (CFDA No. 17.225) and the Federal Family Education Loans (FFEL) Program (CFDA No. 84.032). Expenditures for the UI Program and payments to lenders under the FFEL Program are reported using the accrual basis of accounting.

Expenditures reported for the majority of State Universities consist of amounts expended from Federal programs by the applicable institutions determined in accordance with the modified accrual and cash basis of accounting. Florida Atlantic University reported expenditures on the accrual basis of accounting.

Expenditures reported for the majority of State Community Colleges consist of amounts expended in accordance with the modified accrual and accrual basis of accounting. Gulf Coast Community College reported expenditures on the cash basis of accounting.

Appropriate adjustments have been made to the expenditures reported on the accompanying schedule to preclude reporting both the transfers of Federal awards pursuant to subrecipient relationships between the various State agencies, universities, and community colleges, and the subsequent expenditures.

- **Transfers to Subrecipients Column**

The column on the accompanying schedule captioned "2007-2008 Transfers to Subrecipients" represents the amounts transferred by the State agencies, universities, and community colleges to subrecipients that are not included in the State's Schedule of Expenditures of Federal Awards. The amounts in this column are also included in the column captioned "2007-2008 Expenditures". Transfers between the State agencies, universities, and community colleges pursuant to subrecipient relationships are not included in this column.

- **Administering Agency**

The agencies and institutions reported as the administering agencies on the accompanying schedule represent the entities that expended and/or administered the respective Federal awards programs.

- **Noncash Assistance**

The State participates in several Federal awards programs in which noncash benefits are provided through the State to eligible program participants. The programs that report noncash benefits [e.g., Supplemental Nutrition Assistance Program (CFDA No. 10.551), School Breakfast Program (CFDA No. 10.553), School Lunch Program (CFDA No. 10.555), Nutrition Program for Women, Infants and Children (CFDA No. 10.557), Food Commodities (CFDA No. 10.569), Immunization Grants (CFDA No. 93.268), and Surplus Property (CFDA No. 39.003)] are identified on the accompanying schedule by a superscript (1) next to the applicable grantor/program. All programs identified with a superscript (1) report 100% of their expenditures as noncash benefits with the exception of Immunization Grants, (CFDA No. 93.268), School Breakfast Program (CFDA No. 10.553) and School Lunch Program (CFDA No. 10.555). The State distributed vaccine valued at \$149 million during the fiscal year. The State distributed noncash benefits in the amount of \$9,159 through the School Breakfast Program and \$56,955,935 through the School Lunch Program. The State uses the Electronic Benefit Transfer system to issue Supplemental Nutrition Assistance Program – Food Stamp Benefits (CFDA No. 10.551) to eligible recipients.

## ***NOTE 2. LOANS AND LOAN GUARANTEES***

The State of Florida participates in several Federal loan programs in which funds are provided through the State to eligible program participants.

- **Higher Education Loans**

The current year loan disbursements administered by the State Universities and State Community Colleges for the loan programs Federal Family Education Loans (CFDA No. 84.032) and Federal Direct Student Loans (CFDA No. 84.268) are \$939,454,419 and \$221,918,388, respectively. Florida State University (FSU) and University of Central Florida (UCF) both made or originated loans totaling \$20,243,875 and \$7,731,919, respectively, under the Federal Family Education Loans – Lender – Program (CFDA No. 84.032). All loans made as lenders under the Federal Family Education Loan – Lender – Program were sold prior to June 30, 2008. Additionally, the SU and SCC reported having a value of loans outstanding for programs Federal Perkins Loan Program – Federal Capital Contributions (CFDA No. 84.038), Nurse Faculty Loan Program (CFDA No. 93.264), Health Professions Student Loans - Including Primary Care Loans/Loans for Disadvantaged Students (CFDA No. 93.342), and Nursing Student Loans (CFDA No. 93.364) in the amounts of \$93,013,123, \$234,377, \$5,091,785, and \$88,210, respectively.

- **State Infrastructure Bank (CFDA No. 20.205)**

The Federal State Infrastructure Bank (SIB) for the Highway Planning and Construction Program (CFDA No. 20.205) is an investment fund from which loans and other forms of credit assistance are provided for highway construction, transit capital, or other surface transportation projects. The Federal share (80 percent) of SIB disbursements made during the 2007-08 fiscal year totaled \$30,415,508. This amount is included on the accompanying schedule with other expenditures from the Highway Planning and Construction Program. The balance of SIB loans outstanding at June 30, 2008, totaled \$136,009,302.

- **Capitalization Grants for Clean Water State Revolving Funds (CFDA No. 66.458)**

A revolving loan trust fund is used by the State to provide loans to eligible recipients for the construction of wastewater treatment facilities and implementation of other water quality management activities. The current year activity is shown on the accompanying schedule. The value of loans outstanding at June 30, 2008, totaled \$1,468,055,691 of which \$798,874,369 is pledged to the Florida Water Pollution Control Financing Corporation (Corporation). The Corporation was created pursuant to State law for the purpose of financing or refinancing water pollution control projects and other activities in the State. The Corporation issued debt obligations that were secured by loan repayments and related interest from loans pledged to it from the revolving loan trust fund accounts.

- **Capitalization Grants for Drinking Water State Revolving Funds (CFDA No. 66.468)**

A revolving loan trust fund is used by the State to provide loans to eligible recipients for infrastructure improvements to drinking water systems and for other eligible activities. The current year activity is shown on the accompanying schedule and the value of loans outstanding at June 30, 2008, totaled \$281,608,215.

- **Federal Family Education Loans – Guaranty Agency (CFDA No. 84.032)**

Under the Federal Family Education Loans (FFEL) Program, the U.S. Department of Education guarantees the repayment of loans made to students by participating financial institutions. The Florida Department of Education is a guarantee agency for the FFEL Program (CFDA No. 84.032). During the 2007-08 fiscal year, payments made to lenders to cover student loans in default totaled \$205,065,610 and the value of new net loan guarantees totaled \$540,645,843 and are shown on one line of the accompanying schedule. The value of loan guarantees outstanding at June 30, 2008, totaled \$4,110,805,234.

### ***NOTE 3. UNEMPLOYMENT INSURANCE***

The Unemployment Insurance (UI) Program (CFDA No. 17.225) is a unique Federal-State partnership, founded upon Federal law but implemented primarily through State law. Pursuant to this Program, unemployment benefits are paid to eligible unemployed workers for periods of involuntary unemployment. Benefits are paid from Federal funds and from State unemployment taxes that are deposited into the State's account in the Federal Unemployment Trust Fund (FUTF). The State's administrative expenditures incurred under this Program are funded by Federal grants. Expenditures reported on the accompanying schedule for the UI Program include those made from Federal funds of \$110,283,745 and State funds of \$1,446,428,885 disbursed during the 2007-08 fiscal year from the State's account in the FUTF.

#### Note 4. Pass-Through Awards

In accordance with OMB Circular A-133, Section .310(b)(2), the following identifies in detail the expenditures relating to Federal awards provided by pass-through entities to State agencies, universities, and community colleges. These amounts are included in the Schedule of Expenditures of Federal Awards under the amounts reported for indirect programs (clustered or not clustered) under the respective CFDA numbers:

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
<b>Office of National Drug Control Policy</b>				
Jacksonville Sheriffs Office	I1PNFP507	FDLE	07.999	16,169
St. Johns County	I3PNFP501	FDLE	07.999	123,639
Total - Office of National Drug Control Policy				\$139,808
<b>U. S. Department of Agriculture</b>				
Auburn University	2003-06169	SU	10.200	76
Florida Citrus Packer	N/A	SU	10.999	2,771
Florida Trail Association	N/A	SU	10.999	7,004
Floridas Great Northwest	N/A	SU	10.446	4,976
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	10.551	22,143
North Carolina State University	2005-1763-02	SU	10.200	5,000
North Carolina State University	2006-0457-37	SU	10.500	135,011
Pacific University	N/A	SU	10.206	19,926
Partners of America	EDH-A-00-3-00020-00	SU	10.443	11,185
Rutgers State University	USDA/RUTGERS STATE U	SU	10.200	999
South Carolina State University	04-443620-FCS-FSU-FL	SU	10.216	17,960
Southern United States Trade Association	SUSTA/EMO 01-03 flm, E06MXERT02mdc, E07MXMET01mdc	SCC	10.603	70,166
Texas A&M University	412020-00001	SU	10.025	35
University of Georgia	RD309-067/3500968	SU	10.200	4,000
University of Georgia	2003-47001-01583/ 2004-47001- 01844/ 2005-47001-03184/ 2006- 47001-03368/ 2007-47001-03776	SU	10.500	13,356
University of Hawaii Research Corporation	Z792686	SU	10.303	19,285
University of Missouri	C00006883-1	SU	10.217	2,982
University of Virgin Islands	2006-34135-16957	SU	10.200	17,029
Walton County Grants Department	M0215/M8003	SCC	10.561	93,518
Total - U. S. Department of Agriculture				\$447,422
<b>U. S. Department of Commerce</b>				
Clemson University	SC94775582272004113	SU	11.113	86
Consortium for Ocean Research & Education	Check #: 6241/ Ck. #7333	SU	11.481	13,038
Earth and Space Research	07-80 07-134/ P.O. 06-73 03-104	SU	11.473	27,945
Florida Sea Grant	SUBUF 08021	SU	11.417	3,800
Gulf of Mexico Fishery Management Council	NAO6NMF4410082	FFWCC	11.441	106,250
Gulf of Mexico Foundation	4002/ 5003	FDEP	11.463	50,400
Gulf States Marine Fisheries Commission	BULLFISH-2005-12	SU	11.454	74,473
Louisiana State University	10546	SU	11.478	46,582
Mississippi State University	191001-363558-01	SU	11.432	497,217
Mote Marine Laboratory	MML-186321	SU	11.478	115,271
National Fish and Wildlife Foundation	2005-0003-018	SU	11.436	40,204
National Fish and Wildlife Foundation	2006-0103-001/ 2006-0104008/ FAF- 4070	FDEP	11.463	20,202
National Fish and Wildlife Foundation	2006-0103-001/ 2006-0104008/ FAF- 4070	SU	11.463	113,044
National Fish and Wildlife Foundation	2006-0087-004	FFWCC	11.481	24,673
National Fish and Wildlife Foundation	2006-0001-009, 2006-0093-007, 2007- 0083-023,	FFWCC	11.999	27,182
National Marine Sanctuary Foundation	Check #5880	SU	11.429	23,361
National Science Foundation	NSU 331038	SU	11.460	12,921
Nature Conservation Global Marine Institute	1981483943-0001	FFWCC	11.463	105,841
Nature Conservation Global Marine Institute	NA05NMF4741087	FFWCC	11.474	79,641

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
South Atlantic Fishery Management Council	02-07020/ SA (06-08) 12/ SA-07/09-14/ SA-07-08-13	FFWCC	11.441	141,059
South Carolina Sea Grant Consortium	Agreement S355/ N/A	FFWCC	11.417	13,867
South Carolina Sea Grant Consortium	Agreement S355/ N/A	SU	11.417	34,638
Texas A&M Research Foundation	N/A	SU	11.473	5,845
The Nature Conservancy	FCO-070706	SU	11.419	9,547
The Nature Conservancy	FLIRLUCF110107	SU	11.463	3,539
The Nature Conservancy	NA04NMF4630233	SU	11.999	13,340
University Corporation for ATM	S04-44696/ S06-58381/ S07-66809	SU	11.467	46,553
University of Georgia	RE676-224/9036277	SU	11.417	3
University of Hawaii	NOAA#NA 17RJ 1230/PO Z748818	SU	11.432	10,510
University of Maryland	CA0203	SU	11.417	592
University of Maryland	CA 02-14/07525464373/ CA 07-13	SU	11.473	98,684
University of Maryland	S131073	SU	11.999	18,319
University of Miami	P773464	SU	11.432	34,740
University of Michigan	3000829521/ 3000953143/ Contract	SU	11.432	22,093
University of New Hampshire	06-033/ 07-092	SU	11.419	211,539
University of New Hampshire	P7URM48	SU	11.426	1,566
University of North Carolina	2007-13 A/B/ 2007-14	SU	11.430	23,921
University of North Carolina	UNC#: 515180-08-02	SU	11.473	15,469
University of North Carolina	507440-06-01-FLEWELLING	FFWCC	11.478	1,213,032
University of Puerto Rico	R-USOF-10-07	SU	11.430	20,309
University of Puerto Rico	NA05NOS4261159	SU	11.440	674
University of Southern Mississippi	USM-GR02903-001/ USM-GR02903- 002	SU	11.432	43,756
University of Tennessee	OR8634-001.01	SU	11.417	4,945
University of Wisconsin	G073242	SU	11.440	61,733
Woods Hole Oceanographic Institute	A100386	SU	11.431	85,295
Total - U. S. Department of Commerce				\$3,517,699
<b>U. S. Department of Defense</b>				
Academy of Applied Sciences	05-81/ 06-12/ 07-55	SU	12.431	3,434
Academy of Applied Sciences	07-51/ 07-52/ 08-01/ 08-02	SU	12.999	9,973
Alakai Consulting & Engineering, Inc.	N/A	SU	12.116	19,690
AlionScience and TechnologyY/M	800505910/TO#59/ 800506610/SUB1183658/ CON1181072/ SUB1183690/ SUB1183958SH / TO#1	SU	12.999	521,568
American Superconductor	037339-00/ 41343-00/ 41751-00	SU	12.999	228,838
Anteon Corporation	F33601-03-F-0060	SU	12.800	13,239
Apecor	AIR FORCE PHASE II	SU	12.800	5,701
Aptima, Inc.	4291357	SU	12.999	10,000
Blackbird Technologies, Inc.	Project Order #1/ Project Order #2	SU	12.630	7,639
Boeing Company	118219/ 1662694/ 176936/ 902105/ 902106/ 902107/ N00019-03-D-0004	SU	12.800	363,728
Boeing Company	208493	SU	12.999	6,680
Boulder Nonlinear Systems, Inc.	N61339-05-C-0144	SU	12.999	19,787
Caci Technology Inc.	C07-073899	SU	12.999	14,356
Caracal, Inc.	N/A	SU	12.300	57,162
Ch2m Hill	6137/ 907378	SU	12.300	5,279
ChemImage Corporation	TSR-SHIELD PHASE-II	SU	12.114	10,856
CHI Systems, Inc.	CHI-06022-001	SU	12.999	86,159
Clemson University	96975582012005000	SU	12.431	345,709
Combustion Research & Flow Technology, Inc.	07-C-3710.004/C297	SU	12.999	38,380
Constellation Technology Corporation	F3-0262	SU	12.300	21,530
Cornell University	482238003	SU	12.431	5,923
Custom Manufacturing & Engineering, Inc.	P13460/ P15853	SU	12.300	111,521
Design Interactive, Inc.	TEE-FAST	SU	12.999	21,000
Du Pont Merck Pharmaceutical Corporation	LOTF-69708	SU	12.910	1,560
E I Du Pont De Nemours and Company	LOX484610	SU	12.910	64,569
Eclipse Energy Systems	20040135	SU	12.300	1,457
Edgewood Chemical Biological Center	W911SR-07-C-0099	SU	12.999	263,986
Elizabeth City State University	W912HN-07-C-0034	SU	12.999	767
Emory University	526650G2	SU	12.999	90,689
Etrema Products, Inc.	05CO165	SU	12.999	47,645

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Florida Institute of Technology	DACW42-03-C-0003/P0-/ PO028456	SU	12.300	5,575
Fractal Systems, Inc.	N/A	SU	12.910	51,920
Garrett College	N/A	SU	12.999	4,303
GCS Systems, Inc.	SBIR PHASE I TASKING	SU	12.999	26,000
General Dynamics	DAAD19-01-2-0012	SU	12.300	623,620
General Technical Services	06-1-415/ 07-1-485	SU	12.999	45,018
George Mason University	N00244-08-2-0002	SU	12.999	3,387
Georgia Institute of Technology	G33B45G1/ R7473G1	SU	12.300	132,484
Georgia Institute of Technology	E-21-6RT-6	SU	12.431	24,693
H Lee Moffitt Cancer Center	12-14328-99-01-S1/ W81XWH-06-1-0295	SU	12.420	7,169
Harris Corporation	6823831	SU	12.910	23,108
Harris Corporation	5819851/6823831	SU	12.999	215,954
Hyper Tech Research, Inc.	1030621	SU	12.999	15
Intelligent Automation, Inc.	3551	SU	12.910	496
Intelligent Automation, Inc.	499-1/ 5991	SU	12.999	28,248
Jacobs Engineering Group	35-CV58-00-T05-0003	SU	12.800	12,047
Johns Hopkins University	2000056589/ 2000056592/ 2000056596/ 2000056661/ 2000061356/ 8611-16548-X/ N00014-06-1-0991/ SUBAWARD 2000310200	SU	12.300	381,692
Junior Engineering Technology	N/A	SU	12.431	22,440
JXT Applications, Inc.	JXT-06-S-1001	SU	12.999	143,669
Kent Optronics, Inc.	HQ0006-05-C-7265	SU	12.999	65,605
Kent State University	444286P061715	SU	12.800	30,270
Laser Fare Advanced Technology Group	25845/HD123/F2960103	SU	12.910	27,734
LGS Innovations, LLC	GS1208061	SU	12.999	57,599
Light Processing & Technology	N00014-03-C-0474	SU	12.910	24,233
Lockheed Martin Advanced Technologies	8100001649	SU	12.999	1,903
Marstel Day	FA6648-06-C-0003	SU	12.800	1,187
Microanalysis and Design, Inc.	DAAD190120009	SU	12.431	108,843
Microanalysis and Design, Inc.	800506510/0065/ DAAD19-01-2-0009	SU	12.999	661,268
Microcontinuum, Inc.	W31P4Q-04-C-R365	SU	12.910	7,981
MTC Technologies, Inc.	S12007FS38	SU	12.999	126,481
MWH Americas, Inc.	DOS-84692-OF/ FA8901-05-C-0012/ MP-ANO DOS-84692-OF	SU	12.800	81,766
Nantero, Inc.	N/A	SU	12.910	28,535
National Composite Center	05-S568-15-C1/ NCC 2956	SU	12.999	268,921
Northrop Grumman Corporation	8200076269/ PO 8200083877	SU	12.910	51,997
Ohio State University	RF01065213	SU	12.800	108,971
Optigrate	FA9451-07-C-0199	SU	12.800	15,342
Pennsylvania State University	0275-SC-0145/ G011SA0146	SU	12.300	82,977
Pennsylvania State University	DTRA 01-03-D-0010	SU	12.910	3,461
Pennsylvania State University	S03-36: DTRA0001	SU	12.999	537
Percep Technology	W34P1Q05CR026	SU	12.910	66,263
Praxis, Inc.	PO20080004	SU	12.999	14,908
Prentice Thomas & Associates Inc.	220317	SU	12.999	12,566
Purdue University	4104-18066	SU	12.800	54,390
Raytheon Company	N/A	SU	12.300	8,570
RINI Technologies, Inc.	82475	SU	12.910	173
Rockwell Scientific	B3U506471	SU	12.300	51,431
SAIC	4400137548	SU	12.999	40,389
Science Applications International Corporation	4400150544	SU	12.999	8,790
Scientific Systems Company, Inc.	1423-1	SU	12.800	15,448
Sciperio, Inc.	01049-UCF	SU	12.800	23,357
Sdfotonics, LLC	FA8750-07-C-0172	SU	12.800	63,040
Soar Technology, Inc.	10124.01	SU	12.999	18,813
Sonalysts, Inc.	05JMM0597	SU	12.999	163
Sporian Microsystem	200615	SU	12.300	12,488
SRI International	61-003002	SU	12.300	15,079
Stanford Research Institute	68-000055	SU	12.999	313,142
SVT Associates	70319884	SU	12.999	18,684
TASC, Inc.	UKC22574MO04	SU	12.910	6,425
Team Taclan	TACLAN-USF-07-16	SU	12.999	353,623
Tetra Technology	FA8901-06-C-0004	SU	12.800	16,619

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Texas A&M Research Foundation	S060022	SU	12.800	116,594
Tuskegee University	30-21530-054-62112	SU	12.300	44,353
Universal Technology Corporation	08-S587-015-01-C1	SU	12.800	12,664
Universal Technology Corporation	06-S530-0037-02-C6	SU	12.999	43,683
University of Alabama	016	SU	12.420	241
University of California	SA447132446	SU	12.999	7,882
University of Colorado	SPO31608	SU	12.300	153,290
University of Massachusetts	6081532/RFS800018	SU	12.420	22,773
University of Miami	66057G/ N00014-06-1-0931/ P768732/ P793774	SU	12.300	168,022
University of Miami	M109449	SU	12.420	32,396
University of Minnesota	DAAD19-01-2-0014	SU	12.431	1,685
University of Mississippi	UM 08-01-064	SU	12.420	1,563
University of Nevada Las Vegas	05-655K-0000	SU	12.431	11,614
University of New Hampshire	4897	SU	12.300	216
University of New Orleans	06-692-S1	SU	12.910	4,492
University of North Carolina	3-12110-10	SU	12.300	203,755
University of Technology Corporation	F33615-03-D-5204/ FA8650-04-C-5711	SU	12.800	181
University of Texas	W911NF-07-1-0283	SU	12.431	6,858
Vanderbilt University	18131-S2	SU	12.800	182,080
Virginia Tech	CR-19030-430132	SU	12.300	24,799
Virtual Reality Medical Center	N61339-07-C-0035	SU	12.999	8,635
Windermere Information Technology System	PO 0702N-0406	SU	12.630	20,629
Woolpert, Inc.	C-05-030 DO #0003	SU	12.999	501
WYLE Laboratories	19041.OD.33-209-S	SU	12.999	26,794
Yobotics, Inc.	DAAE07-03-C-L070	SU	12.630	18,969
Total - U. S. Department of Defense				\$8,135,304
<b>U. S. Department of Housing and Urban Development</b>				
ABT Associates, Inc.	20056	SU	14.875	24,799
City of Tampa	N/A	SU	14.218	42,275
Hillsborough County Board of County Commissioners	DPAH07952006/ DPAH08952032	SU	14.218	84,995
Manufacture Housing Research	023305/PTM5	SU	14.171	2,021
Miami Dade County	80036	FDOH	14.218	378,109
Total - U. S. Department of Housing and Urban Development				\$532,199
<b>U. S. Department of the Interior</b>				
Architecture Technology Corporation	F01-004-01	SU	15.812	2,180
Continental Shelf Associates, Inc.	CSA Job #2093	SU	15.423	34,529
Florida Institute of Technology	P0034496	FFWCC	15.634	2,220,387
National Fish and Wildlife Foundation	2005-0281-000	SU	15.608	8,519
National Geographic Society	8328-07	SU	15.999	10,001
Tampa Bay Estuary Program	PO 6334	SU	15.810	10,682
University of Miami	P790177/ P798677	SU	15.999	60,260
Watereuse Foundation	WRF-04-012	SU	15.504	12,873
Total - U. S. Department of the Interior				\$2,359,431
<b>U. S. Department of Justice</b>				
ABT Associates, Inc.	14480	SU	16.560	20,995
Bay Area Legal Services	N/A	SU	16.560	5,609
Brevard County Sheriff	2007-CK-WX-0233	JAC	16.609	66,613
Hillsborough County	08052015	SU	16.726	14,410
Hillsborough County	2006-DJ-BX-0495	JAC	16.738	149,730
Hillsborough County Board of County Commissioners	DPCL08052009	SU	16.738	71,392
Hillsborough County Board of County Commissioners	P.O.-DPCL07052026	SU	16.745	19,922
Miami-Dade Juvenile Assessment Center	2002-RG-CX-0011	SU	16.999	24,745
Orange County Sheriffs Department	311 MOU	SU	16.999	33,414
Palm Beach County	2008-JACG-PALM-7-P3-141	JAC	16.738	89,518
Palm Beach County	2007-DJ-BX-1153	JAC	16.999	200,000
Panhandle Area Educational Consortium	7828011	SU	16.540	17,160
Police Executive Research Forum	N/A	SU	16.734	4,987
Thurston Group	No Award # assigned	SU	16.200	38,515
Urban Institute	07895-000-00-FSU-01	SU	16.560	25,328
Urban Institute	08161-000-00-FSU-01	SU	16.999	6,876

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Weed & Seed of St. Lucie County, Florida	2006-WS-Q6-0226	SCC	16.595	31,000
Total - U. S. Department of Justice				\$820,214
<b>U. S. Department of Labor</b>				
Alachua/Bradford Regional Workforce	SFCC Construct:06-07	SCC	17.259	46,972
First Coast Workforce Development	N/A	SCC	17.259	136,684
Floridas Great Northwest	N/A	SU	17.261	18,683
Greater Northwest Florida	N/A	SCC	17.261	93,076
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	17.207	14,468
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	17.225	103,082
Gulf Coast Workforce Development Board, Inc.	08-A-GC	SCC	17.258	345,565
Gulf Coast Workforce Development Board, Inc.	08-Y-GC	SCC	17.259	137,220
Gulf Coast Workforce Development Board, Inc.	08-DW-GC	SCC	17.260	54,371
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	17.999	78,550
Heartland Workforce	N/A	SCC	17.259	262,653
Hospital Corporation of America, Inc.	AN-13980-04-60	SCC	17.260	108,441
Ohio Board of Regents	HG157670606	SCC	17.261	45,594
Okaloosa County School Board	PO 70004702	SU	17.261	7,008
Southwest Florida Workforce Development Board	#06 WIA09	SU	17.260	15,789
Workforce Alliance, Inc.	WDB04-1280/ WDB04-1281	SCC	17.260	1,142
Workforce Alliance, Inc.	WDB04-1280/ WDB04-1281	SU	17.260	135,561
Workforce Escarosa, Inc.	WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	17.207	3,553
Workforce Escarosa, Inc.	WIA-2007-2008-01/ WT-2007-2008-01	SCC	17.225	190,636
Workforce Escarosa, Inc.	WIA-2006-2007-01/ WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	17.258	308,131
Workforce Escarosa, Inc.	WIA-2007-2008-01/ WIA-2007-2008-02	SCC	17.259	3,095
Workforce Escarosa, Inc.	220700/ WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	17.260	83,344
Workforce Escarosa, Inc.	220700/ WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SU	17.260	6,617
Workforce Escarosa, Inc.	WIA-2007-2008-01	SCC	17.801	5,325
Workforce Escarosa, Inc.	WIA-2007-2008-01	SCC	17.804	3,688
Workforce Escarosa, Inc.	WIA-2007-2008-01/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	17.807	269
Workforce Escarosa, Inc.	WIA - 2006-2008-01	SU	17.999	198
Workforce Florida	07/0842B/ N/A	SCC	17.258	263,677
Workforce One	2007-2008-UP-15280	SU	17.258	37,902
Workforce One	2003-04-CR-WIA-WTP-2610-IBT/OJT	SCC	17.260	193,538
Workforce Plus	N/A	SU	17.258	12,669
WorkNet Pinellas	N/A	SCC	17.207	9,318
WorkNet Pinellas	N/A	SCC	17.225	79,221
WorkNet Pinellas	N/A	SCC	17.258	9,054
WorkNet Pinellas	N/A	SCC	17.259	3,772
WorkNet Pinellas	N/A	SCC	17.260	37,724
Total - U. S. Department of Labor				\$2,856,590
<b>U. S. Department of State</b>				
City of Miami	MOU	FDLE	19.999	58,585
Educational Development Center	14-5132	SU	19.999	221,726
Georgetown University	AEG-A-00-05-00007-00	SCC	19.418	39,414
Institute of International Education	N/A	SCC	19.418	135,006
Institute of International Education	N/A	SU	19.999	18,607
International Research	N/A	SU	19.999	4,749
Total - U. S. Department of State				\$478,087
<b>U. S. Department of Transportation</b>				
Aecom Consult, Inc.	Letter Agreement	SU	20.514	18
Battelle Memorial Institute	Subcontract 216691	SU	20.514	9,323
City of Key West	PO 045970	SU	20.514	683
Community Trans Assoc of America	N/A	SU	20.200	58,884
Embry-Riddle Aeroneuatical University	PO 123895	SU	20.108	34,881
Hennepin Corporation Minnesota Community Works	A020089	SU	20.515	4,341
Kittelson & Associates	TCRP G-11 #8645	SU	20.514	17,833

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
LDA Consulting	Agt dated 10/10/06	SU	20.514	9,257
Lynx Central Florida Regional Transport	PO #0701215	SU	20.514	2,462
Miami-Dade Transit Authority	2005-5/ WO 2005-4	SU	20.507	16,450
Pinellas City Metropolitan Planning Organization	Res. Agt. of 10/9/06	SU	20.205	2,697
Professional Services Industries	DTFH61-04-C-00029	SU	20.200	42,329
South Florida Regional Transportation Authority	FL-90X372-07	FDOT	20.500	3,695,536
Susquehanna Regional Transportation Partnership, Inc.	04242007	SU	20.999	16,248
Tindale-Oliver & Associates, Inc.	C-8L87 - W/O #7/ Work Order #25	SU	20.514	52,823
Transportation Research Board	NCHRP-128	SU	20.205	28,158
Transportation Research Board	TRANSIT-52	SU	20.514	8,654
Tulane University	Subaward #50037	SU	20.701	30,595
University of Oklahoma	2007-16	SU	20.999	217,724
University of Tennessee	07-USF-R-3/ DTRS-99-G-0004/ Task Order No. E1	SU	20.514	43,410
University of Tennessee	102392	SU	20.761	23,923
Urbitran Associates, Inc.	DOT-5423-099	SU	20.205	93
URS Corporation	664883/ 676247	SU	20.205	22,502
Vanus, Inc.	C-8M31/ C-8M31 W/O # 3/ Task Work Order # 16/ Task Work Order 18/ Task Work Order 19	SU	20.514	44,767
Total - U. S. Department of Transportation				\$4,383,591
<b>Library of Congress</b>				
Emory University	5-29915-C2	SU	42.999	56,856
Total - Library of Congress				\$56,856
<b>National Aeronautics and Space Administration</b>				
Analex	7002	SU	43.999	7,863
Applied Sensor Research And Development	NNK06OM24C	SU	43.002	6,857
ASRC Aerospace Corporation	N/A/ UCFFY04/Lines9&10	SU	43.002	1,154
ASRC Aerospace Corporation	KS50395/ KS50396/ UCFFY04/ UCF- FY-04/ UCFFY04 LINE 36	SU	43.999	553,824
Boeing Company	AE91-B130-WTS-L08001	SU	43.001	41,139
California Institute of Technology Jet Propulsion Lab	1274020/ CIT 1264530	SU	43.999	83,784
California Institute of Technology	CIT 1264148	SU	43.999	4,235
California Space Grant Foundation	CSGF 002-034-02	SU	43.999	15,000
Cornell University	46834-8111	SU	43.002	31,290
Florida Space Grant Consortium	B07484/ D06861	SU	43.001	434
Florida Space Grant Consortium	UCF01-0000029716	SU	43.002	8,632
Florida Space Research Institute	21303441949	SU	43.002	6,178
George Mason University	600168	SU	43.002	3,608
Georgia Institute of Technology	NCC3-982	SU	43.001	115,931
Georgia Institute of Technology	G-35-C56-G2	SU	43.999	42,276
Harris (Bernard) Foundation	73609	SU	43.001	50,854
Jet Propulsion Lab	1267977	SU	43.002	3,151
Jet Propulsion Lab	1247709/ 1277716/ 1277733/ 1277736/ 1277781/ 1279012/ 1284244/ 1284245/ 1289132/ 1298243/ 1309297	SU	43.999	311,495
Lockheed Martin Advanced Technologies	QPR0891	SU	43.001	12,339
Lockheed Martin Advanced Technologies	A422898	SU	43.999	3,342
Micro Sensor, Inc.	NNK05OB31C	SU	43.002	41,076
Mnemonics, Inc.	4463	SU	43.002	3,238
Portland State University	N/A	SU	43.001	73,996
Roffers Ocean Fishing Forecasting Service	CHECK #: 8750	SU	43.002	28,651
Space Telescope Science Institute	HSTGO0915712A	SU	43.001	871
Space Telescope Science Institute	HSTGO0983108A/ HST-GO-09871.02- A/ HST-GO-09873.01A/ HST-GO- 10118.07-A/ HST-GO-10182.76-A/ HST-GO-10568.04-A/ HST-GO- 10604.01-A/ HST-GO-10775.01-A/ HST-GO-10861.10-A/ HST-GO- 10863.01	SU	43.999	235,739
University of Alabama	SUB2006-226	SU	43.999	216,106
University of Colorado	UCB #154-0920/ UCB REF 154-1570	SU	43.002	84,992
University of Illinois	2007-00132-01	SU	43.999	17,864
University of Maryland	Z621601	SU	43.999	38,360

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
University of North Dakota	UND01-0000005468	SU	43.999	1,011
Total - National Aeronautics and Space Administration				\$2,045,290
<b>National Foundation on the Arts and the Humanities</b>				
ARTS Midwest	#27619	SCC	45.024	20,000
Columbia University	AZ5001207	SU	45.163	1,299
Corporation for Public Broadcasting	1354 FY2007/ 1354 FY2008	SU	45.164	165,724
Drexel University	N/A	SU	45.313	35,544
Florida Humanities Council	1100-2615-1520	SU	45.129	420
Florida Humanities Council	1006-3263-1930	SCC	45.129	19,825
Morikami, Inc.	CONTRACT# 05-240	SU	45.312	16,851
New England Foundation for the Arts	N/A	SU	45.999	17,000
Southwest Florida Library Network	N/A	SU	45.310	58,190
Tallahassee Museum of History and Natural Sciences	N/A	SU	45.999	292
University of Illinois	0411	SU	45.999	5,566
Total - National Foundation on the Arts and the Humanities				\$340,711
<b>National Science Foundation</b>				
Agiltron, Inc.	FA9550-06-C-0136	SU	47.049	62,436
Alabama State University	HRD-0734232	SU	47.076	2,190
American Association of Community Colleges	AACC-NSF-0506	SCC	47.076	2,045
American Educational Research	N/A	SU	47.076	9,800
American Educational Research	N/A	SU	47.999	13,794
Arkansas State University	N/A	SU	47.076	18,565
Association for Institutional Research	AIR Grant No. 523	SU	47.075	10,231
Association for Institutional Research	N/A	SU	47.999	8,557
Boston University	GC198383NGA	SU	47.076	3,212
California Institute of Technology	42B-1084345	SU	47.041	3,529
California Institute of Technology	427110	SU	47.070	27,750
Clemson University	1151-7557-2062004971/ 801-7557-206-2004160	SU	47.076	17,806
Colorado State University	G-3359-1	SU	47.050	5,429
Cosci Technologies, Inc.	N/A	SU	47.049	30,000
Duke University Medical Center	01-SC-NSF-1018	SU	47.070	109
Elion Systems, Inc.	N/A	SU	47.041	18,699
Faraday Technology, Inc.	PO 3060	SU	47.049	28,268
Florida Institute of Technology	P0032770	SU	47.041	2,870
Harvard University	133119-01	SU	47.050	8,225
Harvard University	5015180-00 (144-459)	SU	47.074	4,877
Idaho State University	Subcontract # 07-205	SU	47.041	8,157
Illinois State University	04D35401	SU	47.074	102,184
Innovation Scheduling	0450504/ OII 054866	SU	47.041	157,893
Iowa State University	420-60-83	SU	47.041	4,870
Iowa State University	DMR0603644/ DMR-0603644	SU	47.049	158,188
Johns Hopkins University	2000091017	SU	47.049	402,100
Joint Oceanographic Institute	N/A/ T.O. NUMBER: T306A19/ T306A33/ T308A33	SU	47.050	23,917
Joint Oceanographic Institute	N/A	SU	47.999	13,785
Kirkwood Community College	DUE-0434405	SCC	47.076	554
LS Optimal, Inc.	450552	SU	47.076	44,812
Marquette University	23	SU	47.070	23,879
Masscal Corporation	N/A	SU	47.041	26,507
Miami University	USF-NSFBretz-01	SU	47.076	6,835
Michigan State University	61-2076	SU	47.076	23,814
Michigan State University	61-8337-1001	SU	47.999	8,374
Mississippi State University	038400 362411-01	SU	47.079	26,904
Montana Technology of the University of Montana	CMS-055812	SU	47.041	6,730
Nanopharma Technologies, Inc.	1 R41 AI061901-01	SU	47.041	174,075
National Institute of Aerospace	C08263UCF	SU	47.041	7,674
New York University	F6109-01	SU	47.049	95,844
New York University	F 5865-01	SU	47.070	14,493
North Dakota State University	10915	SU	47.041	214,509
Northern Arizona University	BIO325M-01/ Bio325M-03	SU	47.074	57,530
Ohio State University Research	RF01020619-60002999	SU	47.999	3,236

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Old Dominion University	07-156-320341	SU	47.050	9,850
Pennsylvania State University	2535-UF-NSF-3279	SU	47.049	61,991
Purdue University	NSF PDUNIV 501082261	SU	47.074	187,920
San Diego State University	E0003188	SU	47.078	46,163
Seattle University	N/A	SU	47.076	8,814
SOL Gel Solutions	61174/ 740718	SU	47.041	3,706
Stanford University	13485530-30428-A	SU	47.050	48,676
Tennessee State University	PO 179237	SU	47.076	40,997
Texas A&M Research Foundation	S060027	SU	47.041	45,166
Texas A&M Research Foundation	F001856-Leg 207	SU	47.050	1,493
The Scripps Research Institute	P.O. 5-75466/ PO- 5-75477/CCF05292	SU	47.070	10,296
Tuskegee University	34-21530-038-62112	SU	47.076	40,430
Tuskegee University	3421530 056 62112	SU	47.076	9,979
U.S. Civilian Research & Development	ARP2-3229-AS-04/ RUE2-2684-ST-05	SU	47.075	11,961
U.S. Civilian Research & Development	RUC2-2656-MO-05	SU	47.999	2,450
Universal Data Consultants	N/A	SU	47.041	2,518
Universidad Metropolitana	N/A	SU	47.041	2,652
Universidad Metropolitana	CK#: 20187867	SU	47.050	122
University of Arkansas	SA0408119/ SA0810246	SU	47.041	13,337
University of California	2007-1900/ SA5618-18081	SU	47.041	60,786
University of California	10268616/ 10280492	SU	47.050	119,603
University of California	II-RR 014195-UFL/ S-000207	SU	47.074	213,955
University of Connecticut	5497	SU	47.074	47,838
University of Hawaii	CHE-0627854	SU	47.049	62,649
University of Iowa	0-502354	SU	47.049	25,417
University of Kansas	FY2002-022	SU	47.076	2,684
University of Kentucky Research Foundation	4-67262-04-183	SU	47.074	26,918
University of Maryland	ESI-0455752	SU	47.076	9,277
University of Miami	66270X/ P50 ES012736/ P771049	SU	47.050	168,041
University of Michigan	F012351	SU	47.041	228
University of Minnesota	X4039076101	SU	47.076	1,921
University of Nebraska	415421	SU	47.049	56,871
University of Nebraska	25-0511-0057-002	SU	47.070	51,099
University of Nebraska	25-0550-0001-003/ 25-0550-0001-130	SU	47.078	174,131
University of Nevada	15BB146376	SU	47.041	38,604
University of New York	EEC-9701471	SU	47.050	228
University of North Carolina	#2975-05-0520-USFL/ 2975-05-0520- FSU/ CNS-0540523	SU	47.070	107,641
University of North Carolina	5-59052	SU	47.999	2,685
University of Notre Dame	N/A	SU	47.049	3,600
University of Pittsburgh	9002153	SU	47.041	70,760
University of Southern California	068834	SU	47.076	287,575
University of Tennessee	OR6177-001.01	SU	47.049	4,796
University of Texas	26-1006-9254	SU	47.070	97,712
University of Vermont	20394-Univ Florida	SU	47.074	68,852
University of Virginia	GA10543-124790	SU	47.050	60,442
University of Washington	138109	SU	47.070	57,539
University of Washington/Seattle	404663	SU	47.049	24,166
University of Wisconsin	316H691	SU	47.074	42,199
University of Wisconsin	K057631	SU	47.076	20,874
Virtual Reality Medical Center	637178/ FA8650-07-M-6829	SU	47.041	68,745
Washington University in St. Louis	29821P	SU	47.076	105,690
Wayne State University	WSU07075	SU	47.049	12,918
Woods Hole Oceanographic Institution	A100455/OCE-0327448/ Agreement #: A100547	SU	47.050	8,231
Zyberwear, Inc.	Contract	SU	47.041	45,891
Total - National Science Foundation				\$4,584,343
<b>U. S. Environmental Protection Agency</b>				
Alaska Department of Fish and Game	COOP 08-063	SU	66.951	12,460
City of Miami	BF-96412504	SU	66.202	188
Columbus State University	Subagreement	SU	66.439	1,904
Northwest Florida Water Management District	02-012	SU	66.479	4,499
Osceola County	US EPA X7-96433105-1	SU	66.436	130,571

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Pegasus Technical Services, Inc.	PEGSUB00010	SU	66.999	40,628
Science Applications SAIC	4400105430	SU	66.999	49,378
St. Johns River Water Managemnt District	SJ46212/ SK429AA	SU	66.456	25,324
St. Johns River Water Managemnt District	SJ46212/ SK429AA	FFWCC	66.456	29,003
Tampa Bay Estuary Program	P.O. Number 6381/ Purchase Order 6433	SU	66.456	64,506
Tampa Bay Estuary Program	N/A	SU	66.510	31,512
Trax International	N/A	SU	66.419	7,531
University of New Orleans	99-0335-S3-A1	SU	66.999	1,192
University of Tennessee	OR5458-001.01	SU	66.509	39,428
Total - U. S. Environmental Protection Agency				\$438,124
<b>U. S. Department of Energy</b>				
Alameda Applied Sciences Corporation	25239	SU	81.049	4,839
American Superconductor	42742-00	SU	81.049	33,306
Argonne National Laboratory	5F-00497/ 6F-00037	SU	81.999	51,580
Battelle Energy Alliance, LLC	00047554/ 00065037/ 00075400/ 71334/ 72455	SU	81.999	248,756
Battelle Memorial Institute	38184	SU	81.999	20,147
Black Laboratories, LLC	N/A	SU	81.999	63,983
Carnegie Institution	DE-FC03-03NA00144	SU	81.121	74,166
Clemson University	0501SR118	SU	81.089	49,385
Duke University	06-SC-NICCR-1062/ 07-SC-NICCR- 1059	SU	81.049	169,589
Duke University Medical Center	06-SC-NICCR-1067	SU	81.049	44,045
Fermi National Accelerator Lab	554581	SU	81.049	31,655
Fermi National Accelerator Lab	570362/ 578638	SU	81.999	17,776
Florida Hydrogen Initiative, Inc.	200505	SU	81.087	72,596
Fluor Federal Services, Inc.	65300175-9-K10932	SU	81.999	9,462
General Motors Company	TCS75068	SU	81.087	99,409
Georgia Institute of Technology	E-256PO-SI	SU	81.087	27,162
Howard University	DE-FC02-02-EW15254	SU	81.049	22,995
Howard University	633254-H010005	SU	81.123	49,901
Idaho National Engineering & Environmental Laboratory	62267	SU	81.999	36,962
Iowa State University	SC-08-315	SU	81.049	12,708
Jefferson Science Associates, LLC	06-P0701/ 06-P2481	SU	81.999	10,317
Los Alamos National Laboratory	50030-001-07/ TBD	SU	81.999	32,473
Los Gatos Research, Inc.	N/A	SU	81.999	14,745
Medical University of South Carolina	N/A	SU	81.999	58,266
Mesolight	DE-FG02-07ER84750	SU	81.999	14,200
National Association of State	DE-FC36-03GO13026	SU	81.041	88,215
National Renewable Energy Lab	XXL54420508/ ZDJ33360002	SU	81.087	250,601
Northern Arizona University	MPC35TB-A3	SU	81.049	83,284
Oak Ridge Associated Universities	N/A	SU	81.999	52,160
Prairie View Agricultural & Mechanical University	SC10042	SU	81.123	25,500
Rollins College	SUB#250317.2	SU	81.087	13,119
Sandia National Laboratories	N/A	SU	81.049	49,771
Sandia National Laboratories	523695/ 577809/ 612515/ 680275/ 705747/A0346/ 730469/ 768304/ 795719/ N/A/ PO 765393	SU	81.999	127,406
Science Applications International Corporation	4400150160	SU	81.087	254,028
Siemens Westinghouse Power Corporation	4500511279	SU	81.999	56,851
Southeastern Universities Research Association	SURA-011789-401	SU	81.121	19,390
Sporian Microsystem	2004UCF200501	SU	81.087	1,917
Sporian Microsystem	200610	SU	81.089	49,058
Supercon, Inc.	100312	SU	81.999	53,631
Texas State Energy Office	CM718	SU	81.999	12,958
Tulane University	TUL-544-06/07	SU	81.049	36,606
University of Alabama	SUB2004-191	SU	81.999	8
University of California	SA5862-11880	SU	81.049	66,742
University of Illinois	20030532804	SU	81.087	4,401
University of Mississippi	05-10-033/ 07-11-036	SU	81.089	103,820
University of Nevada Desert Research Institute	N/A	SU	81.999	24
University of Notre Dame	N/A	SU	81.999	12,015

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
University of Wisconsin	X252383	SU	81.087	182,045
UT-Battelle, LLC	4000006057/ 4000057939/ 4000058790/ 4000058800/ 4000060996/ 4000062415	SU	81.999	372,907
Total - U. S. Department of Energy				\$3,186,880
<b>U. S. Department of Education</b>				
ABT Associates, Inc.	N/A	SCC	84.191	5,454
Association for Institutional Research	N/A	SU	84.999	29,968
Bay County Public Schools	N/A	SU	84.999	226,386
Center for Civic Education	CC07-08-5809	SU	84.999	40,831
Chicago Arts Partnerships	08-184	SU	84.287	13,000
Chicago Arts Partnerships	07-307/ 08-251	SU	84.351	30,307
Childrens Forum, Inc.	N/A/ S349AO50126	SU	84.349	91,084
Childrens Services Council	CONTRACT/MOA#06-478	SU	84.359	10,899
Clemson University	733-7558-210-2093861	SU	84.116	3,540
Corporation for Public Broadcasting	11749	SU	84.295	7,113
Daemen College	P116J040052	SU	84.116	11,768
Duval County Public Schools	P334A020187/ P334A060164/ P334A990090-04	SU	84.334	174,050
Duval County School Board	1602986A7C201	SCC	84.282	120,276
Duval County School Board	1602357A7CF01	SCC	84.366	7,007
Educational Testing Service	N/A	SU	84.283	255,289
Escambia County School Board	PO 292918	SU	84.366	454,872
Family Network on Disabilities of Floirda, Inc.	N/A	SU	84.310	35,373
Flagler County	180-1518A-8CR01	SCC	84.048	50,047
Florida Alliance Assistive Service & Technology	08-ARDC/ 08-SFRDC	SU	84.224	145,557
Florida Campus Compact	R000644	SU	84.116	3,150
Gadsden County Public Schools	590-1226A-6CD01	SU	84.318	11,000
Georgia State University	GLC62-01	SU	84.324	12,119
Hendry School District	590-1226A-6CD01	SU	84.318	8,500
Hillsborough County School District	290-1918A-8CG04	SCC	84.002	292,663
Hillsborough County School District	Q304C070025	SCC	84.304	613
Hillsborough County School District	U350A040011	SCC	84.350	129,231
Jefferson County School Board	U351D030179	SU	84.999	272
Lake County School Board	N/A	SCC	84.243	10,000
League for Innovation in the Community College	V051B0200001	SCC	84.051	25,345
Lee County District School Board	PO D50844	SU	84.027	9,007
Lee County District School Board	N/A	SU	84.165	25,454
Leon County School Board	526580	SU	84.010	2,115
Madison School District	590-1226A-6CD01	SU	84.318	10,750
MDRC	1890-0004	SU	84.215	618,644
Miami University	USF-USDOE07-01	SU	84.365	15,605
Miami University of Ohio	UCF-USDOE07-01	SU	84.365	25,948
Middle Tennessee State University	C08-0663	SU	84.366	23,574
National Writing Project Corporation	004-FL08/ 01-FL06/ 99-FL05	SU	84.999	125,042
New England Conservatory	CONTRACT #06-188	SU	84.116	2,355
Nova Southeastern University	068-2993B-7R001	SU	84.361	9,871
Ohio Board of Regents	HG157670606	SCC	84.366	48,499
Orange County School District	480-2246A-6CT01	SCC	84.367	15,208
Oseola County Public Schools	490-2357A-7CF01	SU	84.366	287,303
Panhandle Area Educational Consortium	7619148	SU	84.184	215,750
Panhandle Area Educational Consortium	07-239/ 07-270/ 08-040/ 08-136A	SU	84.366	203,920
Pennsylvania College of Optometry	57201	SU	84.325	16,218
Pinellas County School Board	Agreement	SU	84.215	10,000
Polk Community College	PO 2007-00001912	SU	84.047	9,903
Polk District School Board	530-2986A-7C202/ 530-2986A-8C304	SCC	84.282	55,380
Putnam County School Board	756-07-084/ 756-08-175	SU	84.359	22,929
Putnam County School Board	750-07-002-8607	SU	84.367	37,093
Putnam County School Board	727-07-001	SU	84.999	4
RMC Research Corporation	N/A	SU	84.283	2,136,164
School Board of Broward County	N/A	SCC	84.243	83,761
School Board of Miami Dade County	590-1226A-6CD01	SU	84.318	12,000
School Board of Pinellas County	590-1226A-6CD01	SU	84.318	12,000

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
School Board of St. Johns County	39357	SU	84.318	161,596
School District of Escambia County	590-1226A-6CD01	SU	84.318	25,500
School District of Hillsborough County	590-1226A-6CD01	SU	84.318	12,000
School District Of Manatee County	590-1226A-6CD01	SU	84.318	12,000
Seminole County Public Schools	590-1226A-6CD01	SU	84.318	11,750
St. Thomas University	N/A	SCC	84.031	133,918
Stevens Institute of Technology	527226-04	SCC	84.999	8,624
Syracuse University	21301-S3732-01108	SU	84.305	9,075
Taylor County School District	590-1226A-6CD01	SU	84.318	11,500
Texas A&M Research Foundation	S060053	SU	84.324	242,253
Texas Guaranty	N/A	SU	84.032	47,457
The School Board of Hillsborough County	N/A	SU	84.165	29,046
The School Board of Hillsborough County	N/A	SU	84.215	58,931
The School Board of Hillsborough County	N/A	SU	84.304	236,432
The School Board of Hillsborough County	N/A	SU	84.361	51,832
The School Board of Hillsborough County	290-2357A-7CF01/ 290-2357A-7CM01	SU	84.366	346,926
The School Board of Hillsborough County	N/A	SU	84.374	87,932
The School Board of Miami-Dade County	R02397397	SCC	84.350	91,636
The School District of Osceola County	N/A	SU	84.184	15,695
Union County School Board	PO# 800319	SU	84.366	111,950
University of Arizona	PO Y413737	SU	84.116	730
University of California	10277539-001/ PO 10242925	SU	84.305	119,577
University of North Carolina	ADMIN FUNDING/ SUB AWARD# 550341-02-FAU	SU	84.116	13,814
University of Oregon	No. 222471A	SU	84.324	6,526
University of Oregon	222841A	SU	84.326	140,932
University of Pittsburgh	0001220/ 2755	SU	84.133	54,778
University of Washington	374080	SU	84.325	60,470
Vanderbilt University	19231	SU	84.324	183,535
Volusia County School Board	640-1578A-8CT01	SCC	84.243	23,093
Washington County School Board	670-2357A-7CF03 #07-272	SU	84.366	48,577
Total - U. S. Department of Education				\$8,598,296
<b>U. S. Department of Health and Human Services</b>				
ACS Government Healthcare Solutions	N/A	SU	93.778	33,383
Advocates for Human Potential	No Award # assigned	SU	93.959	41
Agency for Community Treatment Services	N/A	SU	93.243	1
All Childrens Hospital	N/A	SU	93.110	24,726
All Childrens Research Institute	ACH PCRC PGP 4002	SU	93.110	1,600
AME Ministerial Alliance-East Florida Conference	CPIMP041005-01-00	SU	93.137	28,995
American College of Radiology	U10 CA21661	SU	93.395	84,996
American Institutes for Research	280-2003-00042/ Project No 02054.001	SU	93.104	37,761
American Institutes for Research	00143-02054-001	SU	93.243	67,786
American Institutes for Research	00015-1888.001/ 00302-02279.001	SU	93.279	54,632
American Institutes for Research	SG-03-1830.001-02	SU	93.865	1
American Psych Association	333375	SU	93.859	24,737
Anteon Corporation	OPM-SC-0004	SU	93.243	1,474
Area Agency on Aging	IA 006-19/ IA 007-19	SU	93.052	21,233
Area Agency on Aging for Southwest Florida, Inc.	OAA 333.07-HM107	SU	93.043	28,236
Area Agency on Aging for Southwest Florida, Inc.	OAA333.08	SU	93.052	25,466
Arizona State University	03-069/P.O.-SC19103M/ 07-727/ 07-830/ 08-933	SU	93.242	129,010
Association for Prevention Teaching and Research	N/A	SU	93.283	2,951
Association of American Medical Colleges	MM-0942-06/06/ RMPHEC-GME 08-009	SU	93.283	14,267
Association of Schools of Public Health	S3026-23/24	SU	93.283	45,390
Association of Schools of Public Health	S3591-24/24	SU	93.999	23,649
Baylor College of Medicine	4600463774	SU	93.999	5,100
Beth Israel Medical Center	R01 CA 86826	SU	93.393	8
Beth Israel Medical Center	1 R01 CA100029-04	SU	93.399	6,785
Big Bend Community Based Care	0105-0	SU	93.590	88,076
Boston Medical Center	0216503	SU	93.856	214,833
Boston University	R25CA91958	SU	93.398	2
Brandeis University	4-01202	SU	93.855	23,883
Brandeis University	4-01155	SU	93.859	40,300

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Broward County Board of County Commissioners	06SAHCS8346RW	FDOH	93.914	5,997,863
Brunel University West London	7 R01 EB001640-05/ N/A	SU	93.286	34,200
Burnham Institute	R01 AI066244	SU	93.855	74,597
Butler Hospital	9071-8343	SU	93.242	128,580
Case Western Reserve University	267038480301	SU	93.389	2,605
Case Western Reserve University	N01-DK-6-2203	SU	93.859	278,398
Center for Research to Practice	1 RO1 MH076158	SU	93.242	73,698
Chapel Hill Training Outreach Project	N/A	SU	93.590	64,950
Child Abuse Council, Inc.	N/A	SU	93.778	159,140
Childrens Home Society	N/A	SU	93.652	91,360
Childrens Home Society of Florida	N/A	SU	93.243	41,712
Childrens Hospital and Regional Medical	413390244601	SU	93.389	158,361
Childrens Hospital New Orleans Research for Children	CHILDREN'S HOSPITAL	SU	93.999	19,714
Childrens Hospital of Los Angeles	8039-RGP000323-05/ RGP000323-04	SU	93.273	7,074
Childrens Hospital of Philadelphia	N/A	SU	93.393	16,084
Childrens Services Council - Broward County	08-4103	SU	93.243	185,112
Chiles (Lawton) Foundation	N/A	SU	93.999	11,307
City of Cleveland	66811	SU	93.926	14,888
City of Jacksonville	AGR-2008-066-A1	FDOH	93.914	616,507
Columbia Universtiy	540353	SU	93.172	262,245
Community Based Care of Volusia	D12-05-USF-TRN/ D12-07-USF-TRN	SU	93.658	311,064
Constella Group, LLC	200-2003-01925/0007	FDOH	93.940	35,424
Cornell University	41880-8545	SU	93.395	82,224
CRP, Inc.	280-02-0601	SU	93.243	23,370
Dartmouth College	500499.5000.L00203/ 530676577	SU	93.242	7,013
DB Consulting Group	Contract # 280-02-01	SU	93.243	5,387
Deschutes Research & Applied Behavior Science Press	N/A	SU	93.242	39,042
DeSoto School Board	80000957	FDOH	93.767	42,125
Duke University Medical Center	05-SC-NIH-1054	SU	93.273	48,030
Duke University Medical Center	06-SC-NIH-1015	SU	93.866	41,409
Duke University Medical Center	141069 / 134730	SU	93.867	7,884
Duval County School Readiness Coalition	AGR-2008-040	FDOH	93.575	215,583
Eastern Corporation Oncology Group	539-2001 Training Grant/ CDR0000069274, E-E1A00/ CDR0000349450, ECOG-E2A02, NCT00075881/ E2902/ Eastern Coop Onc/ EASTERN COOP ONCOLOG/ NCT00075881	SU	93.999	49,720
Emory University	5-21865-G1/ 5-21866-G1	SU	93.859	7,480
Escambia County Healthy Start Coalition	COSQ2-R1A1/ COSQ3-R1A1	FDOH	93.778	387,074
Escambia County Healthy Start Coalition	COSQ4-R1A1	FDOH	93.994	131,376
Evanston Northwestern Healthcare Research Institute	EH06-201-S13	SU	93.999	56,857
Everglades Area Health Education Center	03-277/ None	SU	93.107	437
Everglades Area Health Education Center	None	SU	93.189	204
Family Support Services of North Florida	USF061	SU	93.558	105,851
First Step of Sarasota, Inc.	N/A	SU	93.243	14,695
Florida Coalition Against Dome	N/A	SU	93.999	28,486
Florida Development Disabilities Council, Inc.	692IP08C	SU	93.630	4,940
Florida Developmental Disabilities Council	64P0IP06/ 700CD08	SU	93.630	5,332
Florida Developmental Disabilities Council	64P0IP06/ 700CD08	SCC	93.630	885
Florida Healthy Kids Corporation	N/A	SU	93.767	7,295
Florida Immigrant Advocacy Center	N/A	SU	93.566	5,803
Fred Hutchinson Cancer Research Center	N/A	SU	93.856	17,757
George Washington University	06-N17/ G61975/ S-TRN0708-NL17	SU	93.847	21,903
Goodwill-Suncoast Industries	N/A	SU	93.243	50,063
Gulf Coast South Area Health Education Center	1S11AR47455-01A1	SU	93.846	355,815
Gulf Coast Workforce Development Board, Inc.	08-WT-GC	SCC	93.558	187,264
H Lee Moffitt Cancer Center	10-13852-99-01-G3/ 2005-009	SU	93.393	90,567
H Lee Moffitt Cancer Center	10-14025-04-05-C1	SU	93.394	3,054
H Lee Moffitt Cancer Center	10-14288-02-01-C2/ 10-14288-02-03- C1/ 10-15048-02-07-C1	SU	93.395	48,121
H Lee Moffitt Cancer Center	10-13512-99-01-G2	SU	93.399	3
H Lee Moffitt Cancer Center	60-14599-02-01-G3	SU	93.879	5,804
Health Planning Council of Southwest Florida	COAYQ	FDOH	93.917	56,420
Healthy Families Florida	HF-07-08-33	FDOH	93.558	478,703

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Healthy Start Coalition	HSDMO0708/ HSHRN0708	FDOH	93.994	794,335
Healthy Start Coalition of Sarasota	COSR1-R1A1 (07-08), COSQ9-R1-A1 (07-08), COHSZ-R2 (07-08)	FDOH	93.778	710,292
Hemophilia of Georgia	5 H30 MC 00011-18	SU	93.110	43,071
Hillsborough Board of County Commissioners	DPHS06252009/ DPHS07252003/ DPHS08252013	FDOH	93.914	579,592
Hillsborough County Board of County Commissioners	N/A	SU	93.153	155,073
Hillsborough County Board of County Commissioners	06-1386	SU	93.243	58,907
Hillsborough County Commissioners	DPHS07252001	FDOH	93.100	102,213
Hillsborough Kids, Inc.	N/A	SU	93.658	12,182
Hippy United States of America	SR935	SU	93.658	65
Hospice Institute of Florida Suncoast	N/A	SU	93.048	11,224
HUG ME	M171-08	FDOH	93.918	27,040
Human Resources Research Organization	07-09	SU	93.104	29,292
Informed Families	N/A	SU	93.999	87,060
Intelligent Hearing Systems	2R44DC008022-02	SU	93.173	49,749
Iowa State University	430-17-02	SU	93.865	24,510
Jacksonville Childrens Commission	7595-24/ 90LO0182	SCC	93.577	848
Jacksonville Childrens Commission	7595-24/ 90LO0182	SU	93.577	30,206
Jewish Family and Childrens Services	N/A	SU	93.086	46,804
Johns Hopkins University	290-01-0012/ JHU PO # 2000061399	SU	93.226	83,137
Johns Hopkins University	2000009977/ 8402-13099-4	SU	93.866	29,017
Johns Hopkins University	7823;96248;14268/ P. O. # 2000011624/ U01EY014660-02	SU	93.867	196,914
Johns Hopkins University	8603-66661-X	SU	93.999	40
Justice Resource Institute	Ck No 147976	SU	93.243	7,746
Kaiser Permanente Center for Health Research	03CCGree-01-02	SU	93.242	6,372
Keck Graduate Institute of Applied Life	N/A	SU	93.837	24,320
Lakeview Center - Baptist Health Care	06-1601	SU	93.658	27,592
Lee County District School Board	PO D04007	SU	93.600	1,016
Lovelace Biomed & Environmental Research Institution	JK0700172	SU	93.853	197,110
Macro International	35126-3S-545/ 35168-6S-757	SU	93.104	243,956
Macro International	35126-4S-626	SU	93.243	48,779
Magellan Bioscience Group Inc.	1R43A1076051-01	SU	93.855	54,175
Magna Systems, Inc.	N/A	SU	93.230	23,204
Manila Consulting Group, Inc.	277-04-6099/ N/A	SU	93.243	22,027
Mayo Clinic and Foundation	1R01NS052741-01A2	SU	93.853	5,138
Mayo Foundation for Medical Education and Research	04-104879-02-S1068	SU	93.853	12,599
Medical College of Georgia	U01 DK063865	SU	93.847	52,333
Mental Health Care, Inc.	H79 T116630-01	SU	93.243	43,035
Miami-Dade Community Action Agency	N/A	SCC	93.600	9,098
Miami-Dade County	N/A	SCC	93.999	197,885
Mid-Florida Center	N/A	SU	93.940	19,879
Minority Health Professions Foundation	U50/ATU473408-01/ U50/ATU473408- 02/ U50/ATU473408-03/ U50/ATU473408-04/ U50/ATU473408- 05	SU	93.283	259,908
National Association of County and City Health Officials	MRC080259	FDOH	93.008	5,000
National Childhood Cancer Foundation	U10 CA98543-05	SU	93.395	644
National Childhood Cancer Foundation	16458/ U10CA098413-02	SU	93.395	62,342
National Childhood Cancer Foundation	NCCF 11165/U10 CA98543	SU	93.999	93,859
National Development & Research Institute	U01 DA016201	SU	93.279	40,397
National Initiative for Children	Contract Agreement	SU	93.226	1,701
National Institute for Healthcare Research	1R21-AI073501-01	SU	93.855	119,652
National Youth Sports Corporation	None	SU	93.570	12,575
Nautilus Biosciences	NB03	SU	93.395	27,938
Nebraska Health and Human Services	N/A	SU	93.283	56
NeoCytex Biopharma, Inc.	1R43NS060471-01	SU	93.853	53,100
New York Universtiy School of Medicine	06-0329	SU	93.846	46,224
North Broward Hospital District	2H76HA00210-07-00	FDOH	93.918	191,472
North Dakota State University	46791	SU	93.859	5,729
Northeast Florida Healthy Start Coalition	AGR-2006-060	FDOH	93.926	149,290
Northeast Florida Healthy Start Coalition	AGR-2008-026	FDOH	93.994	470,230
Northeast Florida Healthy Start Coalition, Inc.	2 H49 MC 00051 05 00	SU	93.926	91,552
Nova Southeastern University	TOIHP06411	SCC	93.996	205,930

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
Oak Ridge Associated Universities	N/A	SU	93.999	21,307
Ohio State University Research	GRT00007380/60011063	SU	93.865	4,258
Orange County Government	Y7-154J/Y6-154I	FDOH	93.914	762,019
Oregon Health Sciences University	12341A/ ABIMO0132_9000612/ ABIMO0134_9000717/ GBIMO0127A(B)	SU	93.859	156,695
Palm Beach County	PURCHASE ORDER 0001010574	SU	93.600	2,628
Palm Beach County Board of County Commissioners	R-2006-0625	FDOH	93.914	2,000,869
Palm Healthcare Foundation, Inc.	20060231	SCC	93.178	53,216
Pennsylvania State University	R01MH062547/ R21MH063721	SU	93.242	36,207
Pennsylvania State University	PENNSYLVANIA STATE U	SU	93.286	132,376
Pennsylvania State University	3057-USF-DHHS-1542	SU	93.865	136,841
Pregnancy Center for Pinellas County	MOA-Pinellas County	FDOH	93.010	32,625
Prevention Partnership for Children, Incorporated	07-P136	FDOH	93.926	108,259
Reactive Innovations, LLC	N/A	SU	93.262	5,661
Research Foundation of the Suny	02-19	SU	93.865	49,848
Retirement Research Foundation	2003-233	SU	93.191	506
Saneron CCEL Therapeutics	1 R41 HL077012-01	SU	93.839	7,984
Saneron CCEL Therapeutics	R41 AG031586-01	SU	93.866	2,372
Sarasota County Board of County Commissioners	County Core Contract 2008-228	FDOH	93.104	453,413
Sarasota County Government	Contract No 2007-277/ N/A	SU	93.104	220,170
Sarasota Family YMCA, Inc.	N/A	SU	93.658	658,024
School District of Palm Beach County	2008012109	SU	93.600	11,351
Social & Scientific Systems	G62371	SU	93.855	78,706
Social & Scientific Systems	CPCR2.23.09	SU	93.856	25,155
Society for the Arts in Healthcare	Soc for the Arts in	SU	93.999	470
South Florida Workforce Investment Board	WS-TS-PY'06-03-00, WS-TS-PY'07-02- 00 WDS-TS-PY'05-02-00	SCC	93.558	127,238
Southern Coast Addiction Technology Transfer	n/a	SU	93.959	14,341
St. Jude Childrens Research Hospital	7245945	SU	93.855	93,178
Supercon, Inc.	100030/ 100325	SU	93.395	230,919
Temple University	36-1835-121/CC014698	SU	93.279	74,781
Texas Tech University	N/A	SU	93.213	4,857
The Riddle Institute	R01 MH073402	SU	93.242	55,461
The University of Iowa	1000606813	SU	93.104	116,146
The Wistar Institute	P01 HL078810-03	SU	93.839	316,977
TKC Integration Services, LLC	300614101-01	SU	93.991	26,812
TransGenex Nanobiotech, Inc.	TGN-W81XWH-06-C-0015	SU	93.838	102,677
Treatment Research Institute	USF20542-02	SU	93.279	66,831
U.S. Civilian Research & Development	RUB 2-2704-MO-05	SU	93.856	7,172
Unigene Laboratories, Inc.	N/A	SU	93.847	160,224
Universidad del Norte	AI075523	SU	93.855	735
University of Alabama	U01 DE016747	SU	93.121	442,945
University of Alabama	270863/T0705220030	SU	93.153	320,930
University of Alabama	048/ 2 U01 HD0400533-07/ 5 U01 HD040533-08	SU	93.242	85,238
University of Alabama	T0506010028	SU	93.853	38,218
University of Alabama	257071/ T0609060039	SU	93.865	23,943
University of California	1581 G JB151	SU	93.389	90,216
University of California	4562sc	SU	93.395	1,495
University of California	0980 G GH894	SU	93.853	300,215
University of California	SA5565-11466	SU	93.859	10,085
University of Chicago	5 R01 HD034157-05	SU	93.865	142
University of Cincinnati	17164/ P021-040-K663-1105	SU	93.853	54,561
University of Colorado	FY07.339.001	SU	93.999	42,326
University of Georgia	RR274-333/3840488	SU	93.242	10,266
University of Hawaii	N/A	SU	93.104	24,164
University of Illinois	2006-06706-01-01	SU	93.242	20,923
University of Illinois	2005368901JH	SU	93.859	73,037
University of Kentucky	5U01PE000002-06	SU	93.239	1,579
University of Kentucky	PJZH1	FDCFS	93.670	138,667
University of Louisville	R01 DE014605	SU	93.121	32,525
University of Maryland	Z 182802	SU	93.242	50,242
University of Maryland	Z195301	SU	93.865	7,360

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
University of Maryland	Contract	SU	93.879	2,327
University of Maryland	S00896	SU	93.991	91
University of Maryland	N/A	SU	93.999	4,759
University of Miami	P50ES12736	SU	93.113	34,469
University of Miami	M774869	SU	93.121	21,797
University of Miami	DA013720	SU	93.279	20,624
University of Miami	660198	SU	93.286	28,304
University of Miami	HHSN261200511007C	SU	93.397	90,680
University of Miami	5 U01 DK061041-06/ 5 U01 DK061041-07	SU	93.847	86,515
University of Miami	5U01NS046295-02/ 5U01NS46295-04/ U01 NS046295-01	SU	93.853	52,805
University of Miami	2 R25 GM050083-04, 5 R25 GM050083-06	SCC	93.859	11,929
University of Miami	66260C/ 66367T	SU	93.866	222,470
University of Miami	66158L	SU	93.959	80,779
University of Minnesota	M6426130102	SU	93.173	26,037
University of Missouri	CG004726-3	SU	93.399	68,828
University of Missouri	C00000302-3	SU	93.853	1,674
University of New Jersey Medical School	GAFA064333	SU	93.395	15,681
University of New Mexico	3R29H	SU	93.394	111,368
University of North Carolina	508280-06-01	SU	93.846	11,376
University of North Dakota	761	SU	93.233	50,039
University of North Florida	AGR 2006-005-A1	FDOH	93.361	43,019
University of North Texas Health Science Center	71079-2006-001/ 71084-2005-001	SU	93.866	171,116
University of Oklahoma	5 U79 SM57278-02	SU	93.243	28,520
University of Oklahoma	RS20070334-01	SU	93.867	1,425
University of Pittsburgh	00003074 / 113614-1/ 0000456/ 0004811	SU	93.837	16,512
University of Pittsburgh	1010	SU	93.855	172,554
University of Rochester	412505-G	SU	93.242	9
University of Rochester	P.O. 413970-G/ PO 413648-G	SU	93.342	27,511
University of Rochester	413153-G	SU	93.856	20,918
University of South Florida	Sub-agreements 6416-1001-00 A & 6416-1006-F	FDOH	93.135	12,698
University of Texas	20289/98010420	SU	93.396	12,477
University of Texas	0005130 (Core A)	SU	93.865	1,077,397
University of Texas Health	SUBAWARD #0005532A	SU	93.242	16,955
University of Texas Health Science Center Houston	SUB AWARD #0004387	SU	93.279	37,209
University of Texas Health Science Center Houston	SUBAWARD# 0004977 (B)	SU	93.853	34,993
University of Utah	10005103/ 5103	SU	93.648	125,534
University of Vermont	20343-FSU	SU	93.242	110,408
University of Virginia	GC11451.126464/ GC11572.128506	SU	93.999	220,136
UTICA College	D37HP00892	SU	93.191	17,683
Vanderbilt University	R25GM060190	SU	93.157	1,500
Vanderbilt University	18085-S1	SU	93.242	13,230
Vanderbilt University	Sub 19247	SU	93.600	116,861
Vanderbilt University	16997-S1	SU	93.865	39,800
Volunteer Florida Foundation	N/A	SU	93.999	44,383
Washington University	2905745A	SU	93.837	14,196
Wayne State University	WSU08015	SU	93.361	52,217
West Central Florida Area Agency on Aging	2008 OAA Title III-E/ OAA 333.03	SU	93.052	63,624
Westat	7887-S001/ 7887-S002/ 8530-S041	SU	93.279	682,206
Westat	G61948	SU	93.865	131,475
Western Interstate Commission for Higher Education	44.00.63R	SU	93.155	25,786
Western Kentucky University Research Foundation	544167-08-01	SU	93.575	275,000
Workforce Escarosa, Inc.	WIA-2007-2008-01, WT-2006-2007-04/ WIA-2007-2008-02/ WT-2007-2008-01	SCC	93.558	714,143
WorkNet Pinellas	N/A	SCC	93.558	78,466
Wright State University	5 R01 HL056683-10	SU	93.838	116,433
Yale University	A05473(M-08-066)	SU	93.855	14,570
Total - U. S. Department of Health and Human Services				\$31,755,517
<b>U. S. Corporation for National and Community Service</b>				
American Association of Community Colleges	05DSHDC002	SCC	94.007	16,573

FEDERAL AWARDING AGENCY / PASS-THROUGH GRANTOR NAME	PASS-THROUGH GRANTOR NUMBER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
AmeriCorps	2007-2007 STANDARD CONTRACT	SU	94.006	128,089
Clarkson Aerospace	FA8650-05-D-1912	SU	94.006	11,072
Corporation for National and Community Service	07VSSFL019	SU	94.013	2,089
Florida Commission on Community Services	06AFHFL0010011/ 07AC077367	FDEP	94.006	329,685
Hippy United States of America	n/a	SU	94.006	43,923
Jumpstart	300200/ CFDA-94.006-JS-SITE/ TBD	SU	94.006	89,106
The School Board of Hillsborough County	290-2327A-7C001/ 290-2328A-8C002	SU	94.004	24,348
University of Maryland	05NDHMD0010004	FDOEA	94.006	98,771
Volunteer Florida Foundation	06AFHFL0010026	SU	94.006	63,029
Total - U. S. Corporation for National and Community Service				\$806,685
<b>U. S. Department of Homeland Security</b>				
City of Tampa	P. O. # POFD08100646/ POFD07100268	SU	97.008	43,182
City of Tampa	N/A	SU	97.067	21,022
Menon Associates	NNK06OM24C	SU	97.999	121
Miami Dade Fire-Rescue	07DS-5S-11-23-02	FDOH	97.067	219,733
Silicon Power Corporation	705466	SU	97.999	16,242
Total - U. S. Department of Homeland Security				\$300,300
<b>U. S. Agency for International Development</b>				
Georgetown University	USF-RX2050-852-07-Q6/ USFRX205085207R6	SU	98.002	313,607
Georgetown University	HCC-RX2050-852-06-C/ HCC-RX2050- 867-07-D	SCC	98.999	301,328
Kirkwood Community College	S-ECAAS-07-CA-039(CS) 07-1002-1D/ S-ECAAS-07-CA-039(CS) 07-1002-1N	SCC	98.999	316,103
National Academy of Sciences	HR 10-59B/ PGA-7251-05-06	SU	98.002	80,141
Oregon State University	RD010A-20	SU	98.012	43,071
University of Georgia	RC710-013/4183387	SU	98.012	14,585
University of Rhode Island	030907/0001381	SU	98.001	62,442
Virginia Tech	EPP-A-00-04-00013-00/ EPP-A-00-04- 00016-00	SU	98.001	11,242
Winrock International	1310917	SU	98.009	196,658
Total - U. S. Agency for International Development				\$1,339,177
<b>Other Federal Grants</b>				
Academy for Educational Development	3649-01-15	SCC	99.999	259
Georgetown University	FCCJRX205085204B/ FCCJRX205085207B	SCC	99.999	293,606
Total - Other Federal Grants				\$293,865
<b>Total Pass-Through Awards</b>				<b>\$77,416,389</b>

## Note 5. Other Federal Awards

In accordance with OMB Circular A-133, Section .310(b)(3), the following further identifies in detail the expenditures relating to direct and indirect Federal awards that do not have a CFDA number. These amounts are included in the Schedule of Expenditures of Federal Awards under the amounts reported as CFDA XX.999 entitled Other Federal Awards.

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
<b>Office of National Drug Control Policy</b>			
Central & South Florida Hidta Grants	Florida Department of Law Enforcement	07.999	16,169
Central & South Florida Hidta Grants	Florida Department of Law Enforcement	07.999	66,756
Central & South Florida Hidta Grants	Florida Department of Law Enforcement	07.999	123,639
Total - Office of National Drug Control Policy			<u>\$206,564</u>
<b>U. S. Department of Agriculture</b>			
00029539	University of Florida	10.999	1,800
00036153	University of Florida	10.999	3,771
00037870	University of Florida	10.999	901
00038324	University of Florida	10.999	103
00038578	University of Florida	10.999	2,086
00041405	University of Florida	10.999	77,264
00054277	University of Florida	10.999	55,840
00058086	University of Florida	10.999	13,080
00058206	University of Florida	10.999	133
00058209	University of Florida	10.999	8,581
00059453	University of Florida	10.999	1,174
00061158	University of Florida	10.999	1,811
00061188	University of Florida	10.999	126,420
00062467	University of Florida	10.999	348
00063265	University of Florida	10.999	2,101
00063405	University of Florida	10.999	4,992
00063805	University of Florida	10.999	7,749
00063806	University of Florida	10.999	32,098
00064114	University of Florida	10.999	1,452
00064282	University of Florida	10.999	7,222
00064283	University of Florida	10.999	1,202
00064284	University of Florida	10.999	3,206
00064318	University of Florida	10.999	7,895
00064430	University of Florida	10.999	6,102
00064946	University of Florida	10.999	7,500
00065377	University of Florida	10.999	2,000
00065379	University of Florida	10.999	1,094
00065381	University of Florida	10.999	2,000
00066617	University of Florida	10.999	12,758
00066824	University of Florida	10.999	24,241
00066890	University of Florida	10.999	4,661
00066893	University of Florida	10.999	2,625
00066894	University of Florida	10.999	3,938
00066981	University of Florida	10.999	2,771
00067831	University of Florida	10.999	6,642
00067860	University of Florida	10.999	10,000
00068090	University of Florida	10.999	16,764
00068107	University of Florida	10.999	38,107
00068160	University of Florida	10.999	8,456
00068166	University of Florida	10.999	31,388
00068306	University of Florida	10.999	23,757
00068451	University of Florida	10.999	66,065
00068911	University of Florida	10.999	11,730

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
00069910	University of Florida	10.999	900
00070091	University of Florida	10.999	8,490
00070097	University of Florida	10.999	4,745
00070104	University of Florida	10.999	4,598
00071834	University of Florida	10.999	28,814
00074182	University of Florida	10.999	669
00074209	University of Florida	10.999	458
00074218	University of Florida	10.999	23,700
087005520022416	Florida State University	10.999	20,947
148000520019676	Florida State University	10.999	970
148000520019678	Florida State University	10.999	1,037
167000524021912	Florida State University	10.999	7,004
KA0003	Miami-Dade Community College	10.999	28,476
Total - U. S. Department of Agriculture			\$774,636
<b>U. S. Department of Commerce</b>			
00057907	University of Florida	11.999	13,960
00062977	University of Florida	11.999	30,630
059000520019363	Florida State University	11.999	1,188
091004523019118	Florida State University	11.999	3,378
1227100800	University of South Florida	11.999	18,319
2006-0001-009, 2006-0093-007, 2007-0083-023, NA04NMF4630233	Florida Fish and Wildlife Conservation Commission University of Central Florida	11.999 11.999	27,182 13,340
Total - U. S. Department of Commerce			\$107,997
<b>U. S. Department of Defense</b>			
00055847	University of Florida	12.999	537
00059860	University of Florida	12.999	605
00062495	University of Florida	12.999	295
00063066	University of Florida	12.999	38,937
00063067	University of Florida	12.999	66,121
00065239	University of Florida	12.999	43,378
00066545	University of Florida	12.999	9,797
00067396	University of Florida	12.999	105,810
00068752	University of Florida	12.999	26,794
00072011	University of Florida	12.999	81,595
00073318	University of Florida	12.999	124,524
05JMM0597	University of Central Florida	12.999	163
067000524020421	Florida State University	12.999	86,397
067000524022762	Florida State University	12.999	99,309
06-S530-0037-02-C6	University of Central Florida	12.999	43,683
081003520014957	Florida State University	12.999	54,866
084009540010870	Florida State University	12.999	15
087005520008325	Florida State University	12.999	568
087005520022728	Florida State University	12.999	33,069
088004524021133	Florida State University	12.999	3
088004524021138	Florida State University	12.999	2,293
088004524024135	Florida State University	12.999	7,232
088004524024137	Florida State University	12.999	445
1001100100	University of South Florida	12.999	3,366,675
10124.01	University of Central Florida	12.999	18,813
10930	Florida Department of Education	12.999	18,924
1099A	Florida Department of Education	12.999	575
1209103500	University of South Florida	12.999	804,289
1209107500	University of South Florida	12.999	8,790
1209107700	University of South Florida	12.999	3,087
148000520016895	Florida State University	12.999	141
148000520022425	Florida State University	12.999	60,908
186000524019878	Florida State University	12.999	143,669
210124	University of North Florida	12.999	4,475
210211	University of North Florida	12.999	263,986
210230	University of North Florida	12.999	767

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
2103101700	University of South Florida	12.999	172,539
2103101701	University of South Florida	12.999	66,826
2103101702	University of South Florida	12.999	56,877
2103101703	University of South Florida	12.999	57,381
211201	University of West Florida	12.999	659,852
216000524019699	Florida State University	12.999	33,431
216000524019985	Florida State University	12.999	49,623
216000524021199	Florida State University	12.999	14,356
216000524022415	Florida State University	12.999	11,587
216000524023106	Florida State University	12.999	76,858
217000520010767	Florida State University	12.999	1,330,972
217000520021482	Florida State University	12.999	26,431
217000524021272	Florida State University	12.999	14,071
217000524022444	Florida State University	12.999	254,850
218000524020172	Florida State University	12.999	47,645
218000524020818	Florida State University	12.999	6,680
218000524021771	Florida State University	12.999	38,380
220317	University of West Florida	12.999	12,566
225000520015604	Florida State University	12.999	4
227000540017278	Florida State University	12.999	17,721
227011524021284	Florida State University	12.999	81,076
227011524021286	Florida State University	12.999	130,041
2500004100	University of South Florida	12.999	1,266,219
2500119300	University of South Florida	12.999	959,369
250061	Brevard Community College	12.999	10,306
250062	Brevard Community College	12.999	10,696
302000520015670	Florida State University	12.999	817
302000524024234	Florida State University	12.999	4,303
4291357	University of Central Florida	12.999	10,000
4400137548	University of Central Florida	12.999	40,389
499-1	University of Central Florida	12.999	248
526650G2	University of Central Florida	12.999	90,689
5819851/6823831	University of Central Florida	12.999	215,954
5991	University of Central Florida	12.999	28,000
6401-6131	University of Central Florida	12.999	681,383
6415101200	University of South Florida	12.999	67,469
6415101210	University of South Florida	12.999	112,756
6415101220	University of South Florida	12.999	453,731
6415101221	University of South Florida	12.999	6,875
6415101230	University of South Florida	12.999	13,460
6415101240	University of South Florida	12.999	319,039
6415101250	University of South Florida	12.999	519,812
6415101260	University of South Florida	12.999	7,933
6415101290	University of South Florida	12.999	219,293
68-000055	University of Central Florida	12.999	313,142
70319884	University of Central Florida	12.999	18,684
800505910/TO#59	University of Central Florida	12.999	699
800506510/0065	University of Central Florida	12.999	1
800506510/0065	University of Central Florida	12.999	1,415
800506610/SUB1183658	University of Central Florida	12.999	219,617
8100001649	University of Central Florida	12.999	1,903
C-05-030 DO #0003	University of Central Florida	12.999	501
CHI-06022-001	University of Central Florida	12.999	86,159
CON1181072	University of Central Florida	12.999	8,898
DAAD190310260	University of Central Florida	12.999	199,525
FA2521-06-P-0130	University of Central Florida	12.999	3,114
FA252107P0048	University of Central Florida	12.999	4,015
FA2521-07-P-0076	University of Central Florida	12.999	35,499
FA865005C6651	University of Central Florida	12.999	409
FA871806C0076	University of Central Florida	12.999	7,118
FA871807C0036	University of Central Florida	12.999	33,273
FA945106D0015/0002	University of Central Florida	12.999	191,735

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
FA95500710349	University of Central Florida	12.999	31,873
GS1208061	University of Central Florida	12.999	57,599
HHM402-07-C-0079	University of Central Florida	12.999	105,049
HQ0006-05-C-0023	University of Central Florida	12.999	56,001
HQ0006-05-C-0023	University of Central Florida	12.999	21,498
HQ0006-05-C-7265	University of Central Florida	12.999	65,605
IPA	University of Central Florida	12.999	35,758
IPA	University of Central Florida	12.999	200,182
IPA	University of Central Florida	12.999	184,467
IPA	University of Central Florida	12.999	150,255
IPA	University of Central Florida	12.999	124,416
IPA	University of Central Florida	12.999	119,863
IPA	University of Central Florida	12.999	111,973
IPA	University of Central Florida	12.999	82,403
IPA	University of Central Florida	12.999	62,451
IPA	University of Central Florida	12.999	22,513
IPA	University of Central Florida	12.999	39,120
N0001407M0154	University of Central Florida	12.999	49,096
N0001408C0186	University of Central Florida	12.999	554,666
N00173061G036	University of Central Florida	12.999	15,820
N00244-08-2-0002	University of Central Florida	12.999	3,387
N6133904C0034	University of Central Florida	12.999	500,817
N6133904C0034	University of Central Florida	12.999	790,583
N6133904C0034	University of Central Florida	12.999	20,495
N61339-05-C-0144	University of Central Florida	12.999	19,787
N6133905D0014	University of Central Florida	12.999	81,587
N6133906D0011	University of Central Florida	12.999	1,316
N6133906D0011/0002	University of Central Florida	12.999	18,972
N61339-07-C-0035	University of Central Florida	12.999	8,635
N6133907C0045	University of Central Florida	12.999	844,401
N6133907C0071	University of Central Florida	12.999	220,934
N6133907C0107	University of Central Florida	12.999	630,279
N6133907C0107	University of Central Florida	12.999	11,992
N6133907C0107	University of Central Florida	12.999	11,477
N6133907C0107	University of Central Florida	12.999	11,193
N6600103D0018/0005	University of Central Florida	12.999	2
NNG07EK01C	University of Central Florida	12.999	541,849
PO20080004	University of Central Florida	12.999	14,908
SA447132446	University of Central Florida	12.999	7,882
SBIR PHASE I TASKING	University of Central Florida	12.999	26,000
SUB1183690	University of Central Florida	12.999	108,947
SUB1183958SH / TO#1	University of Central Florida	12.999	183,407
TCN07162	University of Central Florida	12.999	29,970
TEE-FAST	University of Central Florida	12.999	21,000
W74V8H06P0315	University of Central Florida	12.999	1,721
W900KK07C0006	University of Central Florida	12.999	128,148
W91CRB07C5011	University of Central Florida	12.999	246,503
W91CRB08C0019	University of Central Florida	12.999	84,962
W91CRB08C0029	University of Central Florida	12.999	39,031
W91CRB08C0029	University of Central Florida	12.999	52,687
W91CRB08D0015	University of Central Florida	12.999	219
W91CRB08D0015	University of Central Florida	12.999	133,414
W91CRB08D0015	University of Central Florida	12.999	92,793
W91CRB08D0015	University of Central Florida	12.999	22,691
W91CRB08D0015	University of Central Florida	12.999	10,986
W91CRB08D0015	University of Central Florida	12.999	2,639
W91WAW07C0070	University of Central Florida	12.999	185,460
W91WAW08C0008	University of Central Florida	12.999	22,788
W91WAW08C0028	University of Central Florida	12.999	24,081
W91WAW08C0072	University of Central Florida	12.999	334
Total - U. S. Department of Defense			\$22,094,635

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
<b>U. S. Department of Housing and Urban Development</b>			
00055703	University of Florida	14.999	30,450
167000520010331	Florida State University	14.999	13,693
167000520018282	Florida State University	14.999	3
220007	Brevard Community College	14.999	3,105
230510/230511/230512	Florida Community College at Jacksonville	14.999	106,097
Y-06-IM-FL-0019	Pensacola Junior College	14.999	303,206
Total - U. S. Department of Housing and Urban Development			<u>\$456,554</u>
<b>U. S. Department of the Interior</b>			
00049119	University of Florida	15.999	23,420
00057282	University of Florida	15.999	6,812
00058323	University of Florida	15.999	5,925
00064133	University of Florida	15.999	17,563
00070260	University of Florida	15.999	4,946
00070462	University of Florida	15.999	45,347
00072535	University of Florida	15.999	5,086
059000520020734	Florida State University	15.999	30
091004520020733	Florida State University	15.999	3,996
120702535	Florida International University	15.999	16,074
158000520017532	Florida State University	15.999	11,141
158000520021858	Florida State University	15.999	17,446
202200522	Florida International University	15.999	2,028
202601551	Florida International University	15.999	4,615
202601586	Florida International University	15.999	12,422
204500526	Florida International University	15.999	18,673
205000544	Florida International University	15.999	19,302
205000546	Florida International University	15.999	16
205000565	Florida International University	15.999	5,554
205000587	Florida International University	15.999	2,476
205000590	Florida International University	15.999	6,298
205000594	Florida International University	15.999	924
205000597	Florida International University	15.999	56,783
205001500	Florida International University	15.999	96,752
205001503	Florida International University	15.999	97,114
205001504	Florida International University	15.999	13,700
205001505	Florida International University	15.999	493,808
205001506	Florida International University	15.999	59,958
205001514	Florida International University	15.999	1,749
205001516	Florida International University	15.999	21,805
205001517	Florida International University	15.999	10,259
205001519	Florida International University	15.999	76,847
205001520	Florida International University	15.999	27,319
205001521	Florida International University	15.999	60,825
205001522	Florida International University	15.999	7,256
205001529	Florida International University	15.999	64,034
205001531	Florida International University	15.999	64,689
205001532	Florida International University	15.999	528
205001533	Florida International University	15.999	20,982
205001534	Florida International University	15.999	28,729
205001535	Florida International University	15.999	14,160
205001539	Florida International University	15.999	3,876
205001541	Florida International University	15.999	36,456
205001542	Florida International University	15.999	67,817
205001547	Florida International University	15.999	11,528
205001548	Florida International University	15.999	52,446
205001551	Florida International University	15.999	47,009
205001553	Florida International University	15.999	24,880
205001569	Florida International University	15.999	183,648
205001596	Florida International University	15.999	31,174
205001597	Florida International University	15.999	5,127

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
205001598	Florida International University	15.999	5,048
205002506	Florida International University	15.999	3,084
205002507	Florida International University	15.999	865
205002508	Florida International University	15.999	1,534
212200554	Florida International University	15.999	43,658
8328-07	University of Central Florida	15.999	10,001
E-7-SEG 18	Florida Fish and Wildlife Conservation Commission	15.999	4,064
H5000020504	University of Central Florida	15.999	23,999
Total - U. S. Department of the Interior			<u>\$2,003,605</u>
<b>U. S. Department of Justice</b>			
00058962	University of Florida	16.999	49,102
00065142	University of Florida	16.999	173,974
080003520017568	Florida State University	16.999	20,294
080003520017572	Florida State University	16.999	113,178
080003520019674	Florida State University	16.999	270,463
083	State Courts System	16.999	27,885
1221100200	University of South Florida	16.999	24,745
141000520017347	Florida State University	16.999	318,060
141000524023413	Florida State University	16.999	6,876
1801	Florida Executive Office of the Governor	16.999	236,084
18658001	University of Central Florida	16.999	33,414
2006DNBXK036	University of Central Florida	16.999	68,953
2007-DJ-BX-1153	Justice Administrative Commission	16.999	200,000
2007DNBXK148	University of Central Florida	16.999	78,473
2007DNBXK209	University of Central Florida	16.999	7,260
2007DNBXK235	University of Central Florida	16.999	76,122
2007DNBXK237	University of Central Florida	16.999	156,934
2007DNBXK241	University of Central Florida	16.999	7,757
2007DNBXK304	University of Central Florida	16.999	38,859
80-72-00-00-080	Florida Department of Juvenile Justice	16.999	174,237
80-72-00-00-080	Florida Department of Juvenile Justice	16.999	522,432
814016	Florida Atlantic University	16.999	361
OCDEFT, Cargo, DEA, US Marshall, DMD	Florida Department of Law Enforcement	16.999	161,862
SDIS	Florida Department of Law Enforcement	16.999	987
Total - U. S. Department of Justice			<u>\$2,768,312</u>
<b>U. S. Department of Labor</b>			
22069B	University of West Florida	17.999	198
254126080000	Gulf Coast Community College	17.999	11,800
254143080000	Gulf Coast Community College	17.999	45,000
254150080000	Gulf Coast Community College	17.999	21,750
Total - U. S. Department of Labor			<u>\$78,748</u>
<b>U. S. Department of State</b>			
00061481	University of Florida	19.999	18,607
00073534	University of Florida	19.999	24,460
00073541	University of Florida	19.999	49,494
00073597	University of Florida	19.999	28,017
00073631	University of Florida	19.999	106,006
113000524021925	Florida State University	19.999	4,749
144000520006669	Florida State University	19.999	3,585
1728100700	University of South Florida	19.999	44,673
186000524020105	Florida State University	19.999	221,726
FTAA	Florida Department of Law Enforcement	19.999	58,585
SOPROS07GR264	University of Central Florida	19.999	17,282
Total - U. S. Department of State			<u>\$577,184</u>
<b>U. S. Department of Transportation</b>			
114000523020880	Florida State University	20.999	75,796
114000524021579	Florida State University	20.999	16,248
167000520021629	Florida State University	20.999	1,500

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
212210502	Florida International University	20.999	119
215000524023316	Florida State University	20.999	17,096
216000524019967	Florida State University	20.999	217,724
228010523021681	Florida State University	20.999	69,738
25003009, 25003015	Tallahassee Community College	20.999	606,326
25003024	Tallahassee Community College	20.999	448,964
25003031	Tallahassee Community College	20.999	84,985
25003032	Tallahassee Community College	20.999	21,060
25003034	Tallahassee Community College	20.999	202,755
25003036	Tallahassee Community College	20.999	18,910
Total - U. S. Department of Transportation			<u>\$1,781,221</u>
<b>U. S. Department of the Treasury</b>			
FLSMS048	Florida Department of Military Affairs	21.999	66,936
Total - U. S. Department of the Treasury			<u>\$66,936</u>
<b>U. S. General Services Administration</b>			
39.011	Florida Department of State	39.999	284,021
Total - U. S. General Services Administration			<u>\$284,021</u>
<b>Library of Congress</b>			
066000540015889	Florida State University	42.999	56,856
210205	University of North Florida	42.999	38,981
Total - Library of Congress			<u>\$95,837</u>
<b>National Aeronautics and Space Administration</b>			
0000000443	Florida A & M University	43.999	30,354
00002313	University of Florida	43.999	27,876
00002723	University of Florida	43.999	7,956
00002870	University of Florida	43.999	70,094
00004498	University of Florida	43.999	6,997
00004917	University of Florida	43.999	184
00005564	University of Florida	43.999	30,460
00005579	University of Florida	43.999	13,317
00005581	University of Florida	43.999	2,449
00005711	University of Florida	43.999	48,694
00005808	University of Florida	43.999	57,467
00025568	University of Florida	43.999	198
00025569	University of Florida	43.999	902
00025618	University of Florida	43.999	2,099
00025631	University of Florida	43.999	4,404
00025952	University of Florida	43.999	581
00025953	University of Florida	43.999	22
00030955	University of Florida	43.999	17
00034882	University of Florida	43.999	2,982
00036661	University of Florida	43.999	3,465
00043161	University of Florida	43.999	53,880
00043220	University of Florida	43.999	1,005
00048300	University of Florida	43.999	135
00050658	University of Florida	43.999	4,235
00050820	University of Florida	43.999	33,905
00053151	University of Florida	43.999	36
00053167	University of Florida	43.999	8,668
00053170	University of Florida	43.999	1,185
00053171	University of Florida	43.999	5,665
00053172	University of Florida	43.999	14,355
00053179	University of Florida	43.999	10,155
00053181	University of Florida	43.999	20,774
00053185	University of Florida	43.999	25,057
00053190	University of Florida	43.999	2,693
00053191	University of Florida	43.999	153
00053193	University of Florida	43.999	7,106

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
00053234	University of Florida	43.999	22,108
00053235	University of Florida	43.999	73,429
00054052	University of Florida	43.999	52,019
00054168	University of Florida	43.999	49,879
00054173	University of Florida	43.999	124,463
00054282	University of Florida	43.999	10,800
00054283	University of Florida	43.999	4,448
00054284	University of Florida	43.999	2,454
00054286	University of Florida	43.999	4,911
00054428	University of Florida	43.999	9,444
00054523	University of Florida	43.999	231,952
00055576	University of Florida	43.999	316,456
00055767	University of Florida	43.999	260,432
00055974	University of Florida	43.999	3,228
00056801	University of Florida	43.999	25,709
00056802	University of Florida	43.999	47,480
00056851	University of Florida	43.999	19,814
00057906	University of Florida	43.999	16,600
00058474	University of Florida	43.999	618
00058475	University of Florida	43.999	9,005
00058480	University of Florida	43.999	2,299
00058481	University of Florida	43.999	2,276
00058483	University of Florida	43.999	8,590
00058485	University of Florida	43.999	18,739
00059329	University of Florida	43.999	98,692
00059988	University of Florida	43.999	99,402
00060121	University of Florida	43.999	7,731
00060442	University of Florida	43.999	10,486
00060506	University of Florida	43.999	32
00060996	University of Florida	43.999	86,563
00062753	University of Florida	43.999	9,979
00063062	University of Florida	43.999	15,015
00063142	University of Florida	43.999	43,998
00063362	University of Florida	43.999	2,829
00063416	University of Florida	43.999	25,153
00064281	University of Florida	43.999	2,427
00064584	University of Florida	43.999	35,174
00064828	University of Florida	43.999	17,864
00065892	University of Florida	43.999	30,998
00065908	University of Florida	43.999	15,000
00065909	University of Florida	43.999	145
00066138	University of Florida	43.999	20,808
00066252	University of Florida	43.999	23,591
00066374	University of Florida	43.999	82,746
00066885	University of Florida	43.999	158,131
00066886	University of Florida	43.999	26,273
00067015	University of Florida	43.999	15,000
00067163	University of Florida	43.999	20,427
00067528	University of Florida	43.999	85,360
00068171	University of Florida	43.999	26,650
00068878	University of Florida	43.999	39,270
00069076	University of Florida	43.999	2,674
00069095	University of Florida	43.999	6,994
00069360	University of Florida	43.999	45,576
00069438	University of Florida	43.999	24,302
00070379	University of Florida	43.999	30,888
00070576	University of Florida	43.999	3,342
00072948	University of Florida	43.999	13,447
00073176	University of Florida	43.999	1,884
00074155	University of Florida	43.999	5,695
059000520019581	Florida State University	43.999	33,754
059000524020010	Florida State University	43.999	126,197

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
071003520017038	Florida State University	43.999	20,183
071003520018491	Florida State University	43.999	38,385
071003520019726	Florida State University	43.999	95,715
071003540017486	Florida State University	43.999	42,276
080003524022074	Florida State University	43.999	3,000
084009524021189	Florida State University	43.999	22,587
084009524021190	Florida State University	43.999	11,658
084009524021924	Florida State University	43.999	13,816
085002520009635	Florida State University	43.999	27,576
087005520010450	Florida State University	43.999	35,142
087005520015810	Florida State University	43.999	52,177
087005520016010	Florida State University	43.999	135,012
087005520017149	Florida State University	43.999	129,741
087005520017324	Florida State University	43.999	128,262
087005520017336	Florida State University	43.999	22,746
087005520017337	Florida State University	43.999	80,274
087005520018590	Florida State University	43.999	22,121
087005520019511	Florida State University	43.999	24,876
087005520020515	Florida State University	43.999	43,690
087005520021069	Florida State University	43.999	39,434
087005520021134	Florida State University	43.999	139,763
087005520021289	Florida State University	43.999	65,757
087005520021442	Florida State University	43.999	28,594
087005520022214	Florida State University	43.999	32,506
087005520023334	Florida State University	43.999	18,748
087005520023656	Florida State University	43.999	13,420
087005540009994	Florida State University	43.999	652
087005540018409	Florida State University	43.999	38,360
091004520010071	Florida State University	43.999	472
091004520021488	Florida State University	43.999	64,231
091004520023189	Florida State University	43.999	6,155
1213102600	University of South Florida	43.999	329
1277716	University of Central Florida	43.999	2,082
1277733	University of Central Florida	43.999	13,343
1277736	University of Central Florida	43.999	14,110
1277781	University of Central Florida	43.999	5,596
1279012	University of Central Florida	43.999	3,724
1284244	University of Central Florida	43.999	94,276
1289132	University of Central Florida	43.999	21,891
1298243	University of Central Florida	43.999	15,808
137000520021096	Florida State University	43.999	129,890
137000520021097	Florida State University	43.999	130,171
16266038	University of Central Florida	43.999	74,484
16266038	University of Central Florida	43.999	98,389
16266038	University of Central Florida	43.999	84,203
16266038	University of Central Florida	43.999	79,918
16266038	University of Central Florida	43.999	42,441
16266038	University of Central Florida	43.999	38,634
16266038	University of Central Florida	43.999	21,625
16266038	University of Central Florida	43.999	16,550
210075	University of North Florida	43.999	1,500
210225	University of North Florida	43.999	1,011
2108101000	University of South Florida	43.999	5,798
213000524019318	Florida State University	43.999	1
218000524021236	Florida State University	43.999	82,153
225000524021402	Florida State University	43.999	78,350
227000520015292	Florida State University	43.999	153,930
227000520018473	Florida State University	43.999	88,861
227000520021109	Florida State University	43.999	10,629
227000540009230	Florida State University	43.999	7,167
2500104200	University of South Florida	43.999	190,951
7002	University of Central Florida	43.999	7,863

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
HSTGO0983108A	University of Central Florida	43.999	5,550
KS50395	University of Central Florida	43.999	118,468
KS50396	University of Central Florida	43.999	84,772
NNC06GA17G	University of Central Florida	43.999	1,200,561
NNG06GG62G	University of Central Florida	43.999	23,473
NNG06GI94G	University of Central Florida	43.999	75,274
NNGO5GK00H	University of Central Florida	43.999	20,283
NNJ07HG22P	University of Central Florida	43.999	94,901
NNK06EB39G	University of Central Florida	43.999	2,381
NNK06EB47G	University of Central Florida	43.999	61,839
NNK07MA60P	University of Central Florida	43.999	8,474
NNX07AR19G	University of Central Florida	43.999	40,347
SUB2006-226	University of Central Florida	43.999	216,106
UCFFY04	University of Central Florida	43.999	2,848
UCFFY04	University of Central Florida	43.999	1,734
UCFFY04	University of Central Florida	43.999	45,700
UCFFY04	University of Central Florida	43.999	69,523
UCFFY04	University of Central Florida	43.999	128,137
UCF-FY-04	University of Central Florida	43.999	6,300
UCF-FY-04	University of Central Florida	43.999	2,600
UCF-FY-04	University of Central Florida	43.999	34,000
UCFFY04 LINE 36	University of Central Florida	43.999	44,597
UFIFAS00072133	University of Central Florida	43.999	12,091
Y2-16296041	University of Central Florida	43.999	4,855
Y2-16296041	University of Central Florida	43.999	4,147
Total - National Aeronautics and Space Administration			<u>\$8,333,143</u>
<b>National Foundation on the Arts and the Humanities</b>			
138000540017094	Florida State University	45.999	292
189000540017563	Florida State University	45.999	5,566
194000524021445	Florida State University	45.999	17,000
Total - National Foundation on the Arts and the Humanities			<u>\$22,858</u>
<b>National Science Foundation</b>			
00031639	University of Florida	47.999	967,804
00057209	University of Florida	47.999	13,785
00074643	University of Florida	47.999	377
0343268	University of Central Florida	47.999	27,059
075000540015983	Florida State University	47.999	2,450
126000540014291	Florida State University	47.999	13,794
129000540018537	Florida State University	47.999	8,362
129000540018780	Florida State University	47.999	195
163000540010096	Florida State University	47.999	2,685
186000524023638	Florida State University	47.999	8,374
212005540015841	Florida State University	47.999	3,236
DMS 0505566	University of Central Florida	47.999	9,982
DMS0704341	University of Central Florida	47.999	15,220
ECCS-0621715	University of Central Florida	47.999	5,625
IOB-0608636	University of Central Florida	47.999	14,542
IPA	University of Central Florida	47.999	189,695
Total - National Science Foundation			<u>\$1,283,185</u>
<b>U. S. Small Business Administration</b>			
026122067	Central Florida Community College	59.999	44,233
21237A	University of West Florida	59.999	508,499
Total - U. S. Small Business Administration			<u>\$552,732</u>
<b>U. S. Environmental Protection Agency</b>			
00049491	University of Florida	66.999	1,192
00051451	University of Florida	66.999	3,770
00069532	University of Florida	66.999	9,785
087005540015133	Florida State University	66.999	49,378

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
211705	University of West Florida	66.999	43,447
2176-10276	New College of Florida	66.999	34,430
CR-83256001-1	Florida Fish and Wildlife Conservation Commission	66.999	8,725
JFBI05177	University of Central Florida	66.999	31,606
PEGSUB00010	University of Central Florida	66.999	40,628
Total - U. S. Environmental Protection Agency			\$222,961
<b>U. S. Department of Energy</b>			
00003490	University of Florida	81.999	98,992
00005883	University of Florida	81.999	98,311
00006059	University of Florida	81.999	137,932
00051755	University of Florida	81.999	69,787
00052030	University of Florida	81.999	10,638
00057391	University of Florida	81.999	358,337
00066072	University of Florida	81.999	58,266
00070987	University of Florida	81.999	14,200
00071720	University of Florida	81.999	20,097
00072194	University of Florida	81.999	18,354
00074897	University of Florida	81.999	2,593
071003524020623	Florida State University	81.999	6,869
071003524022550	Florida State University	81.999	11,591
071003524023325	Florida State University	81.999	14,013
075000524019242	Florida State University	81.999	835
075000524021239	Florida State University	81.999	20,147
078006540015543	Florida State University	81.999	24
084009524019212	Florida State University	81.999	196
084009524021113	Florida State University	81.999	10,121
084009524023104	Florida State University	81.999	8,237
084009540018925	Florida State University	81.999	12,015
087005540015127	Florida State University	81.999	8
087005540018076	Florida State University	81.999	6,211
091004524022042	Florida State University	81.999	168,584
091004524022407	Florida State University	81.999	14,745
137000524021266	Florida State University	81.999	30,294
137000524021513	Florida State University	81.999	9,462
137000524024130	Florida State University	81.999	29,694
137000540018315	Florida State University	81.999	30,133
210000524021548	Florida State University	81.999	52,160
2105102200	University of South Florida	81.999	7,049
2112006500	University of South Florida	81.999	7,439
214000524022165	Florida State University	81.999	8,328
218000524022889	Florida State University	81.999	4,378
218000540017212	Florida State University	81.999	63,983
219000540008081	Florida State University	81.999	4,667
225000524021651	Florida State University	81.999	90,238
225000524022242	Florida State University	81.999	36,896
225000524023685	Florida State University	81.999	46,572
225000540016858	Florida State University	81.999	37,902
227000524021679	Florida State University	81.999	112,369
227000540016455	Florida State University	81.999	45,369
227011524019191	Florida State University	81.999	9,539
227011524022280	Florida State University	81.999	53,631
4.50051e+009	University of Central Florida	81.999	56,851
612515	University of Central Florida	81.999	28,747
62267	University of Central Florida	81.999	36,962
651200	University of Central Florida	81.999	88,928
680275	University of Central Florida	81.999	15,306
705747/A0346	University of Central Florida	81.999	8,094
71334	University of Central Florida	81.999	44,350
775359	University of Central Florida	81.999	13,183
CM718	University of Central Florida	81.999	12,958
DEFG0206CH11446	University of Central Florida	81.999	188,859

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
DEFG0207ER15842	University of Central Florida	81.999	82,184
DEFG0207ER46354	University of Central Florida	81.999	32,626
Total - U. S. Department of Energy			<u>\$2,450,254</u>
<b>Federal Emergency Management Agency</b>			
CSPM2	Justice Administrative Commission	83.999	28,788
Total - Federal Emergency Management Agency			<u>\$28,788</u>
<b>U. S. Department of Education</b>			
00073515	University of Florida	84.999	40,831
1046A	Florida Department of Education	84.999	116,061
1097A	Florida Department of Education	84.999	166,059
1185A	Florida Department of Education	84.999	1
121310288, 121310294	Daytona Beach Community College	84.999	122,529
123005540010312	Florida State University	84.999	272
124000523021268	Florida State University	84.999	12,109
124000524021937	Florida State University	84.999	10,000
125000540010651	Florida State University	84.999	46,665
129000540010697	Florida State University	84.999	19,968
14800	Florida Department of Education	84.999	1,668
1724011800	University of South Florida	84.999	48,785
20027	Florida Gulf Coast University	84.999	429
20121	Florida Gulf Coast University	84.999	3,946
20152	Florida Gulf Coast University	84.999	243
20154	Florida Gulf Coast University	84.999	92
20211	Florida Gulf Coast University	84.999	6,714
20212	Florida Gulf Coast University	84.999	1,094
20233	Florida Gulf Coast University	84.999	852
20234	Florida Gulf Coast University	84.999	3,288
20251	Florida Gulf Coast University	84.999	12,934
211370	Indian River Community College	84.999	187,115
213202320030308	Seminole Community College	84.999	106,579
228010524020100	Florida State University	84.999	4
24700000002006	Polk Community College	84.999	24,481
2580000080005310	Palm Beach Community College	84.999	162,715
302000540018816	Florida State University	84.999	226,386
40130	Florida Department of Education	84.999	32,241
4023B	Florida Department of Education	84.999	104,986
580095	Florida Atlantic University	84.999	146,264
7603F18108	University of Florida	84.999	116,085
DQKRA2	Miami-Dade Community College	84.999	297,551
DQS101	Miami-Dade Community College	84.999	8,624
Housing Loans	Florida State University	84.999	2,075,000
Housing Loans	University of Florida	84.999	170,000
IQ0007	Miami-Dade Community College	84.999	104,277
Total - U. S. Department of Education			<u>\$4,376,848</u>
<b>Scholarship Foundation</b>			
00068505	University of Florida	85.999	4,127
Total - Scholarship Foundation			<u>\$4,127</u>
<b>U. S. Institute of Peace</b>			
00034396	University of Florida	91.999	2,204
Total - U. S. Institute of Peace			<u>\$2,204</u>
<b>U. S. Department of Health and Human Services</b>			
	Florida State University	93.999	158,581
00000863	University of Florida	93.999	2,696
00002329	University of Florida	93.999	120,635
00004839	University of Florida	93.999	320,199
00006252	University of Florida	93.999	24
00010990	University of Florida	93.999	83,598

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
00011293	University of Florida	93.999	52,295
00011827, 00028990	University of Florida	93.999	802
00011828	University of Florida	93.999	2,600
00017791	University of Florida	93.999	1,193
00019144	University of Florida	93.999	98,895
00019887	University of Florida	93.999	19,714
00020910	University of Florida	93.999	13
00020932	University of Florida	93.999	34
00020977	University of Florida	93.999	17,961
00034092	University of Florida	93.999	2,926
00034106	University of Florida	93.999	1,986
00034115	University of Florida	93.999	2,060
00048261	University of Florida	93.999	112,570
00049155	University of Florida	93.999	5,888
00049411	University of Florida	93.999	33,129
00050583	University of Florida	93.999	198,045
00051432	University of Florida	93.999	261
00051802	University of Florida	93.999	15,057
00051980	University of Florida	93.999	217,344
00052070	University of Florida	93.999	392,430
00052101	University of Florida	93.999	10,731
00052299	University of Florida	93.999	346,327
00054505	University of Florida	93.999	3,153
00055044	University of Florida	93.999	9,055
00055225	University of Florida	93.999	22,751
00055607	University of Florida	93.999	317
00056320	University of Florida	93.999	234,259
00056345	University of Florida	93.999	212,926
00056950	University of Florida	93.999	279,246
00057053	University of Florida	93.999	58,076
00057242	University of Florida	93.999	101,168
00057244	University of Florida	93.999	4,298
00057605	University of Florida	93.999	162,901
00057715	University of Florida	93.999	264,592
00057841	University of Florida	93.999	194,352
00057842	University of Florida	93.999	46,439
00058175	University of Florida	93.999	125,801
00059928	University of Florida	93.999	12,835
00060421	University of Florida	93.999	303,969
00060422	University of Florida	93.999	3,772
00060934	University of Florida	93.999	394,780
00060935	University of Florida	93.999	14,582
00061416	University of Florida	93.999	16,814
00061919	University of Florida	93.999	20,929
00062350	University of Florida	93.999	470
00062621	University of Florida	93.999	93,859
00063077	University of Florida	93.999	129,353
00063144	University of Florida	93.999	519
00063171	University of Florida	93.999	9,315
00063381	University of Florida	93.999	197,027
00063885	University of Florida	93.999	7,115
00064468	University of Florida	93.999	326,452
00064541	University of Florida	93.999	44,190
00064792	University of Florida	93.999	8,033
00065105	University of Florida	93.999	64,360
00067452	University of Florida	93.999	355,482
00067521	University of Florida	93.999	257,552
00067992	University of Florida	93.999	40
00068245	University of Florida	93.999	20,399
00068514	University of Florida	93.999	35,654
00069075	University of Florida	93.999	21,307
00069804	University of Florida	93.999	32,998

FEDERAL AWARDING AGENCY / AGENCY IDENTIFIER	ADMINISTERING AGENCY	CFDA NUMBER	2007-2008 EXPENDITURES
00070579	University of Florida	93.999	5,551
00073066	University of Florida	93.999	1,472
00073067	University of Florida	93.999	9,656
00073554	University of Florida	93.999	21,648
073002524019820	Florida State University	93.999	32,209
073002524022547	Florida State University	93.999	187,927
1213100700	University of South Florida	93.999	14,186
142001540018820	Florida State University	93.999	28,486
156000524021307	Florida State University	93.999	87,060
157000523019430	Florida State University	93.999	4,783
157000523019431	Florida State University	93.999	3,257
159000524023204	Florida State University	93.999	44,383
18208017	University of Central Florida	93.999	5,100
202002524022389	Florida State University	93.999	4,759
204000520010101	Florida State University	93.999	7,342
208000524022070	Florida State University	93.999	42,326
210218	University of North Florida	93.999	56,857
6111100100	University of South Florida	93.999	45,525
6112100000	University of South Florida	93.999	82,450
6119104400	University of South Florida	93.999	678,361
6144102100	University of South Florida	93.999	157,838
6414007600	University of South Florida	93.999	11,307
6414102300	University of South Florida	93.999	23,649
69016010	University of Central Florida	93.999	216,015
DO548919	Florida Fish and Wildlife Conservation Commission	93.999	6,339
I30232	Miami-Dade Community College	93.999	197,885
Total - U. S. Department of Health and Human Services			\$8,285,505
<b>U. S. Department of Homeland Security</b>			
020502	Florida Atlantic University	97.999	23,397
225000524023309	Florida State University	97.999	16,242
623751831	Florida A & M University	97.999	7,987
FMFST Secret Service	Florida Department of Law Enforcement	97.999	3,946
NNK06OM24C	University of Central Florida	97.999	121
XF064	Florida Department of Community Affairs	97.999	6,344,596
Total - U. S. Department of Homeland Security			\$6,396,289
<b>U. S. Agency for International Development</b>			
11109236	Hillsborough Community College	98.999	293,992
11505328	Hillsborough Community College	98.999	210,058
31022437	Hillsborough Community College	98.999	7,336
31022728	Hillsborough Community College	98.999	106,045
Total - U. S. Agency for International Development			\$617,431
<b>Other Federal Grants</b>			
138000520020971	Florida State University	99.999	5,416
147000520020972	Florida State University	99.999	2,785
167000520022251	Florida State University	99.999	11,564
212610	Florida Community College at Jacksonville	99.999	15,729
212811	Florida Community College at Jacksonville	99.999	277,877
DA4002	Miami-Dade Community College	99.999	259
Total - Other Federal Grants			\$313,630
<b>Total Other Federal Awards</b>			<b>\$64,186,205</b>

## EXHIBIT OTHER REPORTS

The Auditor General reports listed below include findings and information that may enhance the reader's understanding of the State of Florida's administration of Federal awards:

<b><u>Report Type/Number</u></b>	<b><u>Report Title</u></b>	<b><u>Date of Report</u></b>
Operational Audit No. 2009-100	<i>Department of Children and Family Services Licensing and Fee Collection Child Care Facilities and Homes and Substance Abuse Service Providers</i>	January 2009
Operational Audit No. 2009-095	<i>Department of Children and Family Services Community-Based Care Pilot Program Fiscal and Administrative Monitoring</i>	January 2009
Operational Audit No. 2009-093	<i>Department of Transportation State Financial Assistance, Innovative Construction Techniques, and Prior Audit Follow-Up</i>	January 2009
Information Technology Audit No. 2009-086	<i>Department of Community Affairs Division of Emergency Management Florida Public Assistance System</i>	January 2009
Information Technology Audit No. 2009-070	<i>Agency for Workforce Innovation Department of Revenue Department of Management Services Unemployment Insurance Program</i>	December 2008
Operational Audit No. 2009-039	<i>Department of Children and Family Services Contract Monitoring and Other Selected Administrative Activities</i>	November 2008
Operational Audit No. 2009-018	<i>Department of Health Information Technology and Selected Administrative Matters</i>	October 2008
Information Technology Audit No. 2009-017	<i>Department of Transportation TRNS*PORT System SiteManager Module, Laboratory Information Management System, and Consultant Invoice Transmittal System</i>	October 2008
Information Technology Audit No. 2008-197	<i>Department of Children and Family Services Florida On-Line Integrated Data Access System</i>	June 2008
Operational Audit No. 2008-180	<i>Agency for Persons with Disabilities Administrative Activities and Contract Management</i>	May 2008
Operational Audit No. 2008-179	<i>Department of Community Affairs and Division of Emergency Management Administrative Issues</i>	May 2008
Operational Audit No. 2008-177	<i>Department of Community Affairs and Division of Emergency Management Procurement and Asset Management</i>	May 2008

**EXHIBIT  
OTHER REPORTS**

Operational Audit  
No. 2008-119

*Department of Children and Family Services  
Community-Based Care Lead Agencies - Tangible  
Personal Property and Information Technology Security*

March 2008

Operational Audit  
No. 2008-104

*University of Central Florida  
Operational Audit*

February 2008

Audit reports prepared by the Auditor General can be obtained through our Web site ([www.myflorida.com/audgen](http://www.myflorida.com/audgen)).

Additionally, the State's Office of Program Policy Analysis and Government Accountability's issued a program review of the Florida Retirement System Pension Plan, dated April 2008 (report No. 08-30). A copy of this report can be obtained online at ([www.oppage.state.fl.us](http://www.oppage.state.fl.us)).

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FA 08-053	State Children's Insurance Program
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FA 08-056	Medical Assistance Program
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FA 08-061	
FS 08-002	Long-term liabilities, Expenses, Receivables, net, Deferred
FS 08-003	Accounts Receivable Uncollectible Allowance
<b>Florida Agency for Workforce Innovation</b>	
FA 08-006	Employment Service Cluster WIA Cluster
FA 08-007	Unemployment Insurance
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FA 08-009	
FA 08-049	Child Care Cluster Employment Service Cluster WIA Cluster
FA 08-050	Child Care Cluster WIA Cluster
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FA 08-037	Temporary Assistance for Needy Families
FA 08-044	Refugee and Entrant Assistance - State Administered
FA 08-045	Programs
FA 08-051	Adoption Assistance
FA 08-058	Medical Assistance Program
<b>Florida Department of Community Affairs</b>	
FA 08-002	Community Development Block Grants/State's Program
FA 08-003	
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FA 08-031	Schedule of Expenditures of Federal Awards
FA 08-046	Low-Income Home Energy Assistance
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FA 08-066	Disaster Grants - Public Assistance (Presidentially Declared Disasters) Hazard Mitigation Grant Homeland Security
FA 08-067	Disaster Grants - Public Assistance (Presidentially Declared Disasters) Hazard Mitigation Grant Homeland Security Low-Income Home Energy Assistance
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FA 08-080	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
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State Agency Finding Number	Program Title
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FA 08-015	Improving Teacher Quality State Grants Reading First State Grants Special Education Cluster Title I Grants to Local Educational Agencies Twenty-First Century Community Learning Centers
FA 08-016	Adult Education - State Grant Program Career and Technical Education - Basic Grants to States English Language Acquisition Grants Improving Teacher Quality State Grants Reading First State Grants Special Education Cluster Title I Grants to Local Educational Agencies Twenty-First Century Community Learning Centers
FA 08-017	Adult Education - State Grant Program Career and Technical Education - Basic Grants to States
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FA 08-030	Schedule of Expenditures of Federal Awards
FA 08-032	Various
FA 08-033	HIV Care Formula Grants Homeland Security Immunization Grants National Bioterrorism Hospital Preparedness Program Public Health Emergency Preparedness Special Education - Grants for Infants and Families with Disabilities Special Education - Preschool Grants State Children's Insurance Program Temporary Assistance for Needy Families
FA 08-034	Child and Adult Care Food Program HIV Care Formula Grants Immunization Grants National Bioterrorism Hospital Preparedness Program Public Health Emergency Preparedness Special Education - Grants for Infants and Families with Disabilities
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FA 08-010	Unemployment Insurance
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FS 08-001	Net Receivables
<b>Florida Department of Transportation</b>	
FA 08-013	Highway Planning and Construction
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 FA 08-096  
 FA 08-097  
 FA 08-104  
 FA 08-105

**Florida Atlantic University**

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**Florida Gulf Coast University**

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**Florida International University**

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**Florida State University**

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**University of Central Florida**

FA 08-025 Reading First State Grants  
 FA 08-109 Research and Development Cluster

**University of Florida**

FA 08-024 Special Education - Grants for Infants and Families with  
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State Universities and Community Colleges	Finding Number	Program Title
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**University of West Florida**

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# INDEX OF FEDERAL FINDINGS BY FEDERAL AGENCY AND COMPLIANCE REQUIREMENT

CFDA Number	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Matching Level of Effort, Earmarking	Period of Availability of Federal Funds	Procurement and Suspension and Debarment	Reporting	Subrecipient Monitoring	Special Tests and Provisions
<b>United States Department of Agriculture</b>										
10.025		FA 08-001								
10.200		FA 08-107*								
10.551 10.561		FA 08-035		FA 08-035				FA 08-035		FA 08-035
10.558		FA 08-034						FA 08-034		
<b>United States Department of Defense</b>										
12.300		FA 08-107* FA 08-108*								FA 08-112*
12.300 12.999		FA 08-106*								
12.431		FA 08-109*								
<b>United States Department of Housing and Urban Development</b>										
14.228		FA 08-002						FA 08-003 FA 08-004	FA 08-005	
<b>United States Department of Justice</b>										
16.560		FA 08-109*								
<b>United States Department of Labor</b>										
17.207 17.801 17.804		FA 08-049		FA 08-049	FA 08-049			FA 08-006 FA 08-049		
17.225				FA 08-007 FA 08-008 FA 08-009			FA 08-010	FA 08-009		FA 08-011 FA 08-012
17.258 17.259 17.260		FA 08-049 FA 08-050		FA 08-049 FA 08-050	FA 08-049			FA 08-006 FA 08-049 FA 08-050	FA 08-050	
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<b>United States Environmental Protection Agency</b>										
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84.002		FA 08-015	FA 08-016		FA 08-015			FA 08-015	FA 08-015 FA 08-017	
84.007 84.032 84.033 84.063 84.375				FA 08-095						
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84.032 84.038										FA 08-096
84.032 84.063										FA 08-098 FA 08-100 FA 08-101 FA 08-102
84.032 84.063 84.375			FA 08-092							

\* CFDA number is included within the Research and Development Cluster

# INDEX OF FEDERAL FINDINGS BY FEDERAL AGENCY AND COMPLIANCE REQUIREMENT

CFDA Number	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Matching Level of Effort, Earmarking	Period of Availability of Federal Funds	Procurement and Suspension and Debarment	Reporting	Subrecipient Monitoring	Special Tests and Provisions
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84.063										FA 08-097
84.375 84.376				FA 08-094						
84.010	FA 08-015	FA 08-015	FA 08-016						FA 08-019	
84.027 84.173	FA 08-015	FA 08-015	FA 08-016							
84.173		FA 08-033								
84.048	FA 08-015	FA 08-015	FA 08-016		FA 08-018				FA 08-017	
84.126		FA 08-020		FA 08-021				FA 08-022 FA 08-023		
84.181		FA 08-024 FA 08-033 FA 08-034						FA 08-034	FA 08-024	
84.287	FA 08-015	FA 08-015	FA 08-016							
84.324		FA 08-106*								
84.366							FA 08-111*			
84.357	FA 08-015	FA 08-015 FA 08-025	FA 08-016							
84.365	FA 08-015	FA 08-015	FA 08-016		FA 08-026				FA 08-027	
84.367	FA 08-015	FA 08-015	FA 08-016 FA 08-028						FA 08-029	
<b>United States Department of Health and Human Services</b>										
Various	FA 08-032	FA 08-032	FA 08-032	FA 08-032		FA 08-032	FA 08-032	FA 08-032	FA 08-032	
93.069		FA 08-033 FA 08-034 FA 08-062						FA 08-034		
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93.568		FA 08-046			FA 08-046	FA 08-047 FA 08-048		FA 08-046 FA 08-047 FA 08-048 FA 08-067		
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93.767	FA 08-052	FA 08-033 FA 08-052 FA 08-053						FA 08-055		
93.778	FA 08-056 FA 08-057	FA 08-035		FA 08-035 FA 08-058				FA 08-035		FA 08-035 FA 08-059 FA 08-060 FA 08-061
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93.855		FA 08-107*								
93.867		FA 08-108*								

\* CFDA number is included within the Research and Development Cluster

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CFDA Number	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Matching Level of Effort, Earmarking	Period of Availability of Federal Funds	Procurement and Suspension and Debarment	Reporting	Subrecipient Monitoring	Special Tests and Provisions
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93.889		FA 08-033 FA 08-034 FA 08-062				FA 08-063		FA 08-034		
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97.036	FA 08-080 FA 08-081 FA 08-082 FA 08-083 FA 08-084	FA 08-080 FA 08-081 FA 08-084	FA 08-082 FA 08-083 FA 08-085		FA 08-080	FA 08-084	FA 08-066	FA 08-067 FA 08-084	FA 08-080 FA 08-084	FA 08-086
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\* CFDA number is included within the Research and Development Cluster