



FINANCIAL AND COMPLIANCE AUDIT REPORT

State of Tennessee Single Audit

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF STATE AUDIT



JASON E. MUMPOWER
Comptroller

March 26, 2024

The Honorable Bill Lee, Governor
Members of the General Assembly

Ladies and Gentlemen:

We are pleased to submit the fortieth *Single Audit Report* for the State of Tennessee. This report covers the year ended June 30, 2023. The audit was conducted in accordance with the requirements of the Single Audit Act Amendments of 1996 and the provisions of Title 2, *Code of Federal Regulations*, Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance).

This *Single Audit Report* reflects federal expenditures of over \$21.7 billion. We noted instances of noncompliance that meet the reporting criteria contained in the Uniform Guidance. We also noted material weaknesses and significant deficiencies in internal control over compliance with requirements related to the state’s major federal programs. The instances of noncompliance, material weaknesses, and significant deficiencies related to federal programs are described in Section III of the Schedule of Findings and Questioned Costs.

The *Annual Comprehensive Financial Report* of the State of Tennessee for the year ended June 30, 2023, has been issued under a separate cover. In accordance with the standards applicable to financial audits contained in generally accepted government auditing standards, we are issuing our report on our consideration of the State of Tennessee’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. We noted no material weaknesses in internal control. We noted no instances of noncompliance that we considered to be material to the state’s basic financial statements.

We would like to express our appreciation to the Department of Finance and Administration and other state agencies, universities, and community colleges for their assistance and cooperation in the single audit process.

Sincerely,

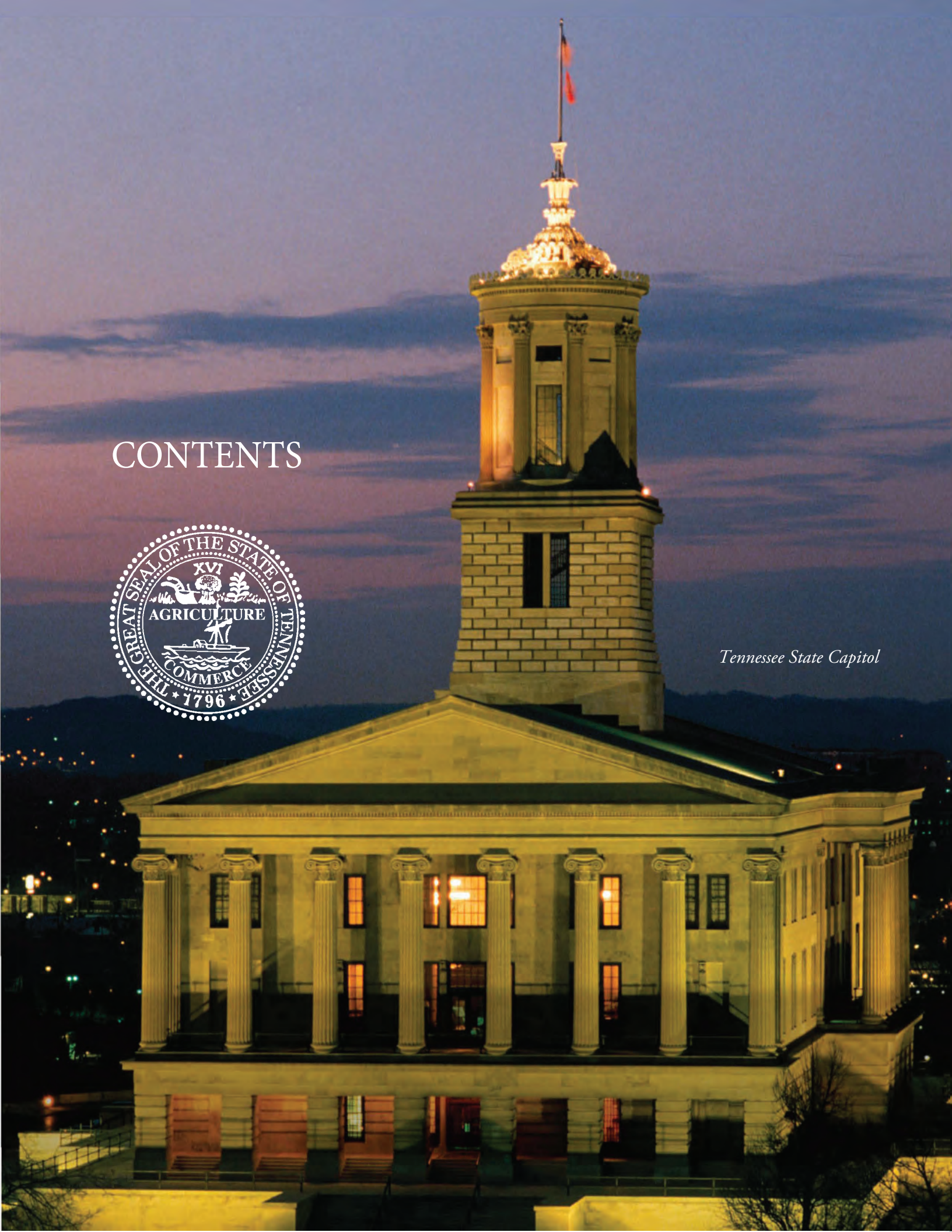
A handwritten signature in blue ink that reads "Katherine J. Stickel".

Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit

CONTENTS



Tennessee State Capitol



CONTENTS

SELECTED STATISTICAL DATA.....	1
Total Federal Expenditures - Ten-Year Summary.....	2
Expenditures by Awarding Agency	3
Number of Type A and Type B Programs	4
Type A and B Program Expenditures.....	4
AUDITOR’S REPORTS	6
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	7
Independent Auditor’s Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	9
AUDITOR’S FINDINGS	14
Section I: Summary of Auditor’s Results.....	15
Section II: Financial Statement Findings	18
Section III: Federal Award Findings and Questioned Costs	19
Tennessee State University2023-001	21
Tennessee State University2023-002.....	26
Tennessee State University2023-003.....	29
Tennessee State University2023-004.....	32
Tennessee State University2023-005	36
Tennessee State University2023-006.....	41
Department of Education.....2023-007	47
Department of Education.....2023-008.....	54
Department of Education.....2023-009	58
Department of Education.....2023-010.....	66
Department of Education.....2023-011	72
Department of Education.....2023-012.....	77
Department of Human Services	2023-013..... 83

CONTENTS

(continued)

Department of Human Services	2023-014	89
Department of Labor and Workforce Development	2023-015	96
Department of Labor and Workforce Development	2023-016	100
Department of Labor and Workforce Development	2023-017	106
Tennessee Housing Development Agency	2023-018	115
Tennessee Housing Development Agency	2023-019	118
Tennessee Housing Development Agency	2023-020	123
Department of Mental Health and Substance Abuse Services	2023-021	129
Department of Mental Health and Substance Abuse Services	2023-022	133
Department of Finance and Administration	2023-023	141
Department of Economic and Community Development	2023-024	149
Tennessee Wildlife Resources Agency	2023-025	155
Department of Agriculture	2023-026	162
Department of Military	2023-027	170
University of Tennessee	2023-028	178
University of Tennessee	2023-029	181
University of Tennessee	2023-030	185
University of Memphis	2023-031	189
Austin Peay State University	2023-032	194
Austin Peay State University	2023-033	196
AUDITEE'S SECTION		201
Schedule of Expenditures of Federal Awards		202
Unclustered Federal Programs		202
Clustered Federal Programs		238
Notes to the Schedule of Expenditures of Federal Awards		299



SELECTED
STATISTICAL DATA

*The mockingbird,
Tennessee's state bird*

SELECTED STATISTICAL DATA

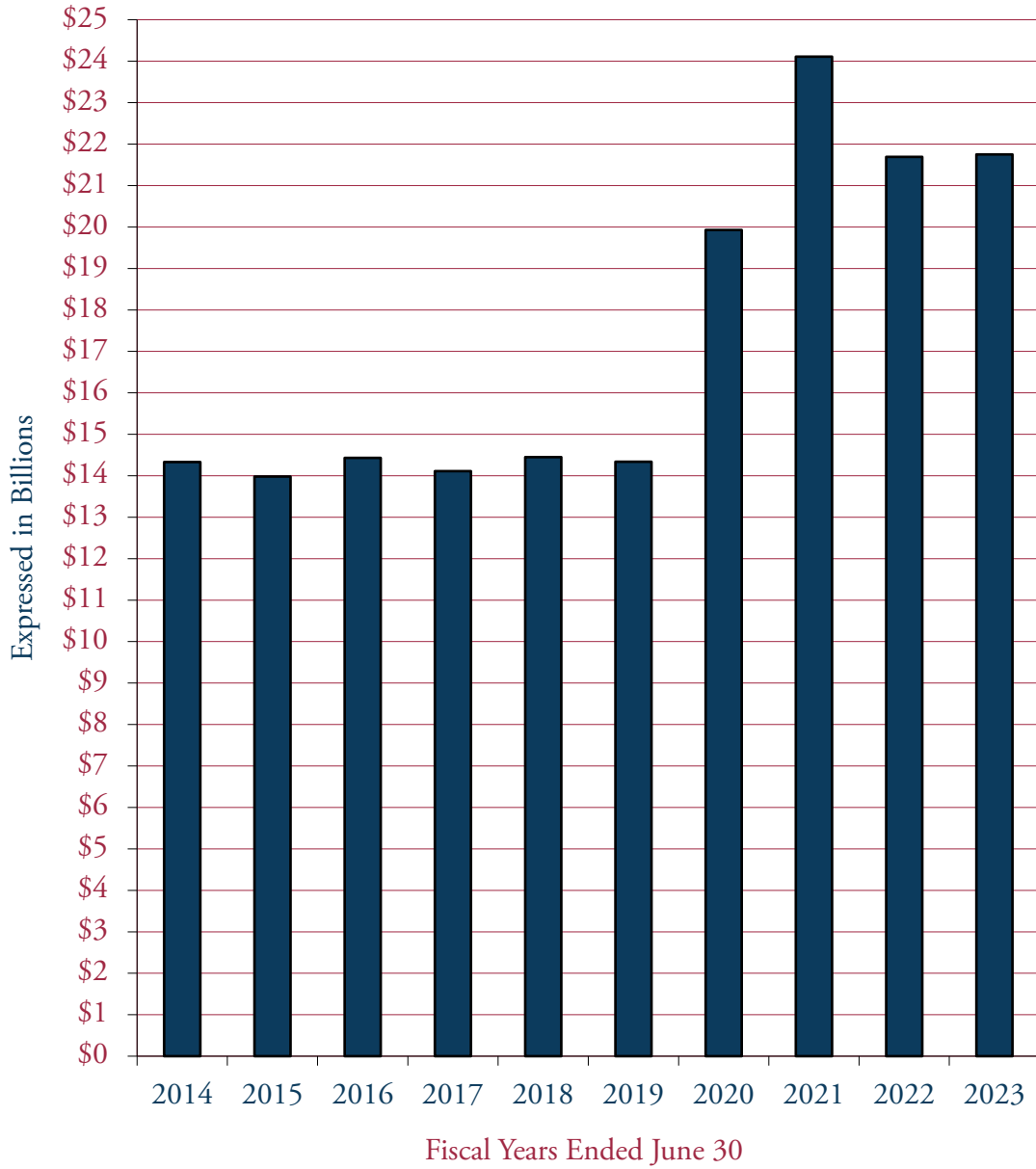
TOTAL FEDERAL EXPENDITURES –
TEN-YEAR SUMMARY

EXPENDITURES BY AWARDING AGENCY

NUMBER OF TYPE A AND TYPE B PROGRAMS

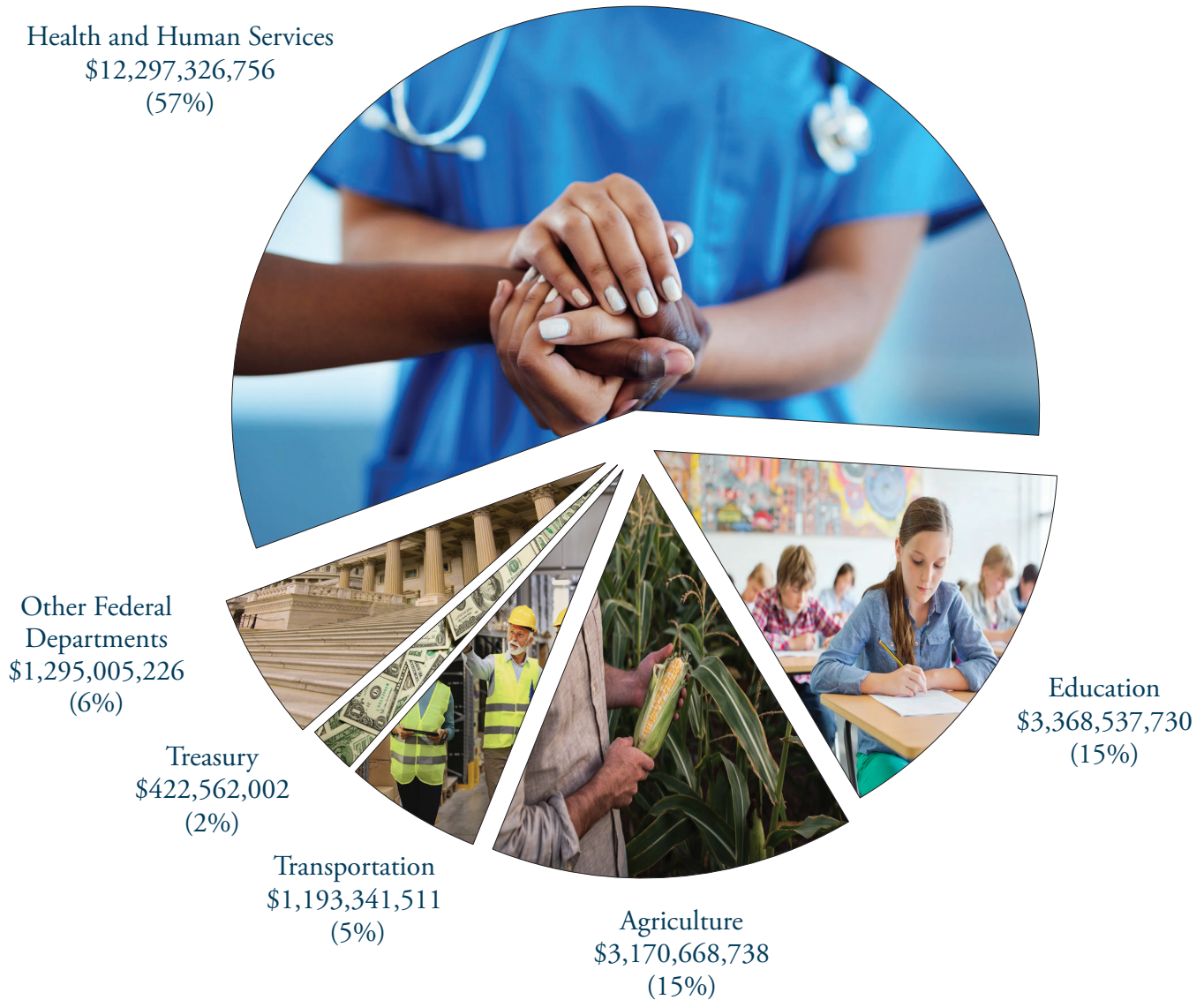
TYPE A AND TYPE B PROGRAM EXPENDITURES

Total Federal Expenditures - Ten-Year Summary

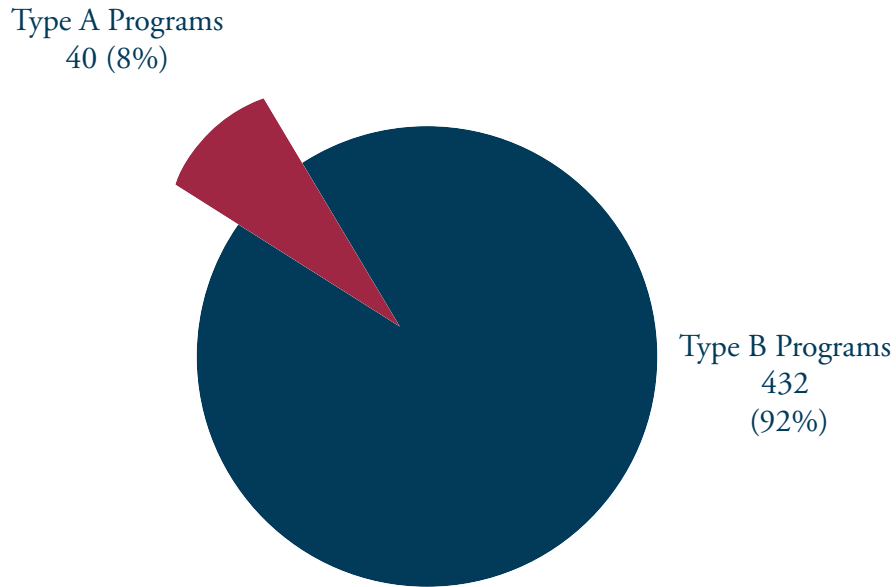


EXPENDITURES BY AWARDING AGENCY

For the Year Ended June 30, 2023



NUMBER OF TYPE A AND TYPE B PROGRAMS



TYPE A AND TYPE B PROGRAM EXPENDITURES



Type A program levels for non-federal entities are established in the Uniform Guidance. For the fiscal year ended June 30, 2023, the Type A program threshold for the State of Tennessee was \$32,621,163. Those federal programs with expenditures below \$32,621,163 are labeled Type B programs.

AUDITOR'S REPORTS

*Autumn sunset at the
Great Smoky Mountains
National Park*



AUDITOR'S REPORTS

Independent Auditor's 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*

Independent Auditor's Report on Compliance for Each
Major Federal Program, Report on Internal Control Over
Compliance, and Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance



JASON E. MUMPOWER
Comptroller

Independent Auditor’s 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*

The Honorable Bill Lee, Governor
Members of the General Assembly

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), 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 Tennessee as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State of Tennessee’s basic financial statements, and have issued our report thereon dated December 21, 2023. Our report includes a reference to other auditors who audited the financial statements of the University of Chattanooga Foundation, Inc., the University of Tennessee Foundation, Inc., and the University of Tennessee Research Foundation, Inc., discretely presented component units of the University of Tennessee; the University of Memphis Foundation, the University of Memphis Research Foundation, and the Auxiliary Services Foundation, discretely presented component units of the University of Memphis; the Herbert Herff Trust, a blended component unit of the University of Memphis; and the East Tennessee State University Foundation and the Medical Education Assistance Corporation, discretely presented component units of East Tennessee State University, as described in our report on the State of Tennessee’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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Tennessee’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State

of Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Tennessee's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Tennessee's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

Purpose of This Report

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



Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit
December 21, 2023



JASON E. MUMPOWER
Comptroller

Independent Auditor’s Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Honorable Bill Lee, Governor
Members of the General Assembly

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the State of Tennessee’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the State of Tennessee’s major federal programs for the year ended June 30, 2023. The State of Tennessee’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the State of Tennessee complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2, *Code of Federal Regulations*, Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State of Tennessee and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the State of Tennessee’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the State of Tennessee's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State of Tennessee's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State of Tennessee's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks; such procedures include examining, on a test basis, evidence regarding the State of Tennessee's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances; and
- obtain an understanding of the State of Tennessee's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State of Tennessee's internal control over compliance; accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 through 2023-019 and 2023-021 through 2023-033. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the State of Tennessee's responses to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Tennessee's responses were not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-007, 2023-011, 2023-020, 2023-022, 2023-023, 2023-025, and 2023-026 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 through 2023-006, 2023-008 through 2023-010, 2023-012 through 2023-019, 2023-024, and 2023-027 through 2023-033 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the State of Tennessee's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Tennessee's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 Tennessee as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State of Tennessee's basic financial statements. We issued our report thereon dated December 21, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit
March 21, 2024



AUDITOR'S FINDINGS

*Bald River Falls in
Tellico Plains*

AUDITOR'S FINDINGS

SECTION I: SUMMARY OF AUDITOR'S RESULTS

SECTION II: FINANCIAL STATEMENT FINDINGS

SECTION III: FEDERAL AWARD FINDINGS AND
QUESTIONED COSTS

STATE OF TENNESSEE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023



SECTION I
SUMMARY OF AUDITOR'S RESULTS

STATE OF TENNESSEE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

- We issued unmodified opinions on the basic financial statements.
- We identified no material weaknesses in internal control over financial reporting.
- No significant deficiencies in internal control over financial reporting were reported.
- We noted no instances of noncompliance considered to be material to the basic financial statements.

FEDERAL AWARDS

- We identified material weaknesses in internal control over major programs.
- We identified significant deficiencies in internal control over major programs.
- We issued unmodified opinions for each of the state’s major federal programs.
- We disclosed audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
- The dollar threshold used to distinguish between Type A and Type B programs, as prescribed in 2 CFR 200.518(b), was \$32,621,163.
- The State of Tennessee does not qualify as a low-risk auditee under the provisions of 2 CFR 200.520.

STATE OF TENNESSEE
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS *(Continued)*

<u>Assistance Listing Number</u>	<u>NAME OF MAJOR FEDERAL PROGRAM OR CLUSTER</u>
17.225	Unemployment Insurance
21.023	Emergency Rental Assistance Program
21.026	Homeowner Assistance Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.002	Adult Education – Basic Grants to States
84.010	Title I Grants to Local Educational Agencies
84.048	Career and Technical Education - Basic Grants to States
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
84.367	Supporting Effective Instruction for State Grants (formerly Improving Teacher Quality State Grants)
84.424	Student Support and Academic Enrichment Program
84.425	Education Stabilization Fund
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.667	Social Services Block Grant
93.767	Children’s Health Insurance Program
93.788	Opioid STR
93.958	Block Grants for Community Mental Health Services
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
-	Student Financial Assistance Cluster
-	Food Distribution Cluster
-	Housing Voucher Cluster
-	Fish and Wildlife Cluster
-	Workforce Innovation and Opportunity Act (WIOA) Cluster
-	Special Education Cluster (IDEA)
-	Aging Cluster
-	Child Care and Development Fund (CCDF) Cluster
-	Medicaid Cluster
-	Disability Insurance/SSI Cluster

STATE OF TENNESSEE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023



SECTION II
FINANCIAL STATEMENT FINDINGS

No financial statement findings were reported.

STATE OF TENNESSEE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023



SECTION III
FEDERAL AWARD FINDINGS AND
QUESTIONED COSTS

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

TENNESSEE STATE UNIVERSITY

Finding 2023-001: Tennessee State University continued not to follow federal guidance for the Higher Education Emergency Relief Fund

Finding 2023-002: The financial aid office did not adequately reconcile its direct loan records to the Direct Loan Servicing System's records, as required by federal regulations, and therefore could not resolve discrepancies timely

Finding 2023-003: Tennessee State University did not have adequate procedures to ensure Title IV credits were refunded timely per federal guidelines

Finding 2023-004: For the federal Direct Loan and Pell Grant programs, Tennessee State University did not report timely and accurate information regarding students' enrollment statuses

Finding 2023-005: Tennessee State University did not return Title IV funds in compliance with federal regulations

Finding 2023-006: Tennessee State University's Office of Financial Aid granted Title IV funds to ineligible students

Finding Number	2023-001
Assistance Listing Number	84.425E and 84.425J
Program Name	Education Stabilization Fund
Federal Agency	Department of Education
State Agency	Tennessee State University
Federal Award Identification Number	P425E200897 - 20B and P425J200061 - 20B
Federal Award Year	2021 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Activities Allowed or Unallowed Allowable Costs/Cost Principles Matching, Level of Effort, Earmarking (84.425J)
Repeat Finding	2022-001
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
84.425E	P425E200897 - 20B	\$85,000
84.425J	P425J200061 - 20B	\$233,113



FINDING

Tennessee State University continued not to follow federal guidance for the Higher Education Emergency Relief Fund

BACKGROUND

The Coronavirus Aid, Relief, and Economic Security Act established the Higher Education Emergency Relief Fund (HEERF) to provide relief to colleges and universities affected by the coronavirus pandemic. The Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan (ARP) Act provided additional waves of funding for the program. Since the inception of HEERF, Tennessee State University (TSU) has been awarded \$115,573,226 through three primary types of HEERF funds. The first type was student funds intended to be used for student emergency aid grants. The second type was institutional funds, which were allowed to be spent for certain things, such as additional emergency aid grants to students, including discharging student debt, supplies to combat the coronavirus, and lost revenue. The third type was supplemental funds dedicated for Historically Black Colleges and Universities (HBCUs). TSU was allowed to use its HBCU HEERF for additional institutional costs and to provide scholarships and grants to students.

At the beginning of fiscal year 2023, TSU had used all of the institutional and HBCU HEERF funds awarded and had \$4,622,145 of student funds remaining. Executive leadership decided to use the remaining student funds to cover emergency aid grants and persistence grants. During the current fiscal year, HBCU HEERF funds totaling \$233,113 became available because of late adjustments to debt-discharged student accounts due to revised charges, payments received, and/or applied scholarships. The reclaimed HBCU funds were used to provide scholarships to students, called tuition assistance grants, which could cover any part of the student's cost of attendance.

To receive HEERF funds, TSU was required to follow federal regulations and additional federal guidance, such as Frequently Asked Questions (FAQs) published by the U.S. Department of Education (ED). Based on the work performed during our audit, we noted that TSU did not establish an adequate control structure for the HEERF award to ensure compliance with these federal guidelines. We noted issues in all three fund types of HEERF aid because of TSU's lack of internal controls.

Student Funds

CONDITION AND CRITERIA

Tennessee State University management did not follow federal guidance related to the student portion of HEERF. TSU used \$85,000 of the student portion of its HEERF award on persistence grants rather than emergency aid grants. TSU's persistence grants awarded \$1,000 at the end of the academic year to freshman students who had maintained passing grades (a 2.0 GPA) and attended several student engagement events held throughout the year. These stipulations were not allowable under the student portion of the HEERF award.

ED required the institutions to prioritize students with exceptional need, as noted in the ARP HEERF III FAQs Updates, Question 7, which states,

institutions are directed with the ARP funds to prioritize students with exceptional need, such as students who receive Pell Grants or are undergraduates with extraordinary financial circumstances in awarding emergency financial aid grants to students.

Question 12 of the ARP HEERF III FAQs Updates, published May 11, 2021, states,

The Department will make an individualized determination about whether an institution failed to prioritize emergency financial aid grants to students with exceptional need. The Department may determine an institution has failed to do so if the institution established preconditions for students to receive emergency financial aid grants (e.g., (1) establishing a minimum GPA, (2) imposing other academic or athletic performance or good standing requirements, (3) requiring continued enrollment in the institution or (4) required the student to first pay any outstanding debt or balance) that results in failure to prioritize students with exceptional need.

Since TSU only offered persistence grants to a small portion of students and imposed a minimum GPA and event attendance requirements, TSU did not clearly demonstrate that it prioritized students

with exceptional need. The amount of these awards totaled \$85,000, which we are identifying as questioned costs.

CAUSE

Based on discussions with TSU personnel, the President and the executive leadership team determined the conditions of the persistence grants. However, this upper management group did not ensure that the conditions met all federal requirements, which prohibited conditioning awards on certain student actions.

EFFECT

While the university used the \$85,000 of the student portion of the HEERF award to benefit students, management inappropriately prioritized students who met the university's pre-conditions rather than those with exceptional need. Students with exceptional need who did not meet the university-imposed GPA or campus engagement requirements might have missed vital financial help for their education. Because of management's decision to screen students for criteria other than need, TSU may be required to repay the \$85,000 to the U.S. Department of Education with other operational funds.

Institutional Funds

CONDITION AND CRITERIA

TSU management did not comply with an earmarking requirement to conduct direct outreach to financial aid applicants about the opportunity to receive a financial aid adjustment due to the recent unemployment of a family member or independent student, or other circumstances. This requirement was related to the institutional portion of the funds and should have been completed by the last day of the grant period, June 30, 2023.

According to Section 2003 of the American Rescue Plan Act:

(5) . . . an institution shall use a portion of funds received under this section to — . . . (B) conduct direct outreach to financial aid applicants about the opportunity to receive a financial aid adjustment due to the recent unemployment of a family member or independent student, or other circumstances, described in section 479A of the Higher Education Act of 1965 (20 U.S.C. 1087tt).

TSU did not meet the requirements of subsection (5)(B) to conduct direct outreach to students notifying them that financial aid adjustments were available if their circumstances had changed since completing the Free Application for Federal Student Aid (FAFSA).

CAUSE

Based on discussions with the Vice President of Business and Finance and the Associate Vice President of Business and Finance, TSU management was aware of the earmarking requirement for outreach.

However, TSU management stated they misunderstood the requirement and believed providing the additional HEERF fund scholarships to students would satisfy the requirement.

EFFECT

By not meeting the federal award earmarking requirement and providing outreach to students, the university could not ensure it met the grant's purpose of helping all eligible students, including those with financial hardships, pay for higher education.

Supplemental Funds

CONDITION AND CRITERIA

As noted in the prior-year audit, Tennessee State University management continued to not comply with federal requirements regarding documenting how a student could receive the HBCU HEERF funds used for tuition assistance grants. This included failing to document the actual award decisions and how management determined the amount of each student's award in accordance with federal requirements.

According to the certification and agreement for the CARES Act a(2) funds,

For grants made to students, the Recipient should maintain records on how grants were distributed to students, how the amount of each grant was calculated, and any instructions or directions given to students about the grants.

TSU did not have HBCU HEERF money remaining at the beginning of fiscal year 2023, but late adjustments in student accounts resulted in prior-year debt discharges being reduced. The reduction in these debt discharges made \$233,113 of HBCU HEERF funds available during the fiscal year. While we questioned these costs as part of the prior audit finding related to debt discharge, we are also questioning the \$233,113 for the current fiscal year after the prior-year costs were reversed and then again spent in a similar fashion.

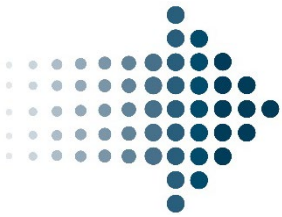
CAUSE

Per discussions with the former Assistant Vice President of Financial Aid, the executive leadership team provided an amount of tuition assistance grants that both Enrollment Reporting and Financial Aid could spend. However, the directive contained no further guidance about the dollar amount of individual awards, or reference to federal requirements on record-keeping, or award criteria. Per discussions with the Associate Vice President of Business and Finance, the procedures for providing tuition assistance grants did not change from the prior fiscal year to fiscal year 2023.

Executive leadership did not establish clear policies, procedures, or controls around awarding HEERF scholarships. This lack of policies and procedures from upper management resulted in a failure to follow federal requirements for recording how grants were distributed or calculated.

EFFECT

U.S. Department of Education guidance for HEERF funds included elements to ensure ED's ability to maintain adequate oversight of awards. TSU management's failure to follow federal requirements resulted in the university management, auditors, and ED being unable to determine whether funds were used appropriately and distributed to students fairly.



RECOMMENDATION

Executive leadership should provide appropriate guidance and oversight when devising how to expend resources for a federal program, especially new programs with quickly evolving guidance and multiple programs providing similar types of funding. This should include creating documented policies, procedures, and controls for implementing those funds; these procedures should be guided by the corresponding federal authority. Management should also document reviews by knowledgeable employees throughout the implementation process to compare the implementation with federal guidance and university policy.

MANAGEMENT'S COMMENT

We do not concur with this finding. However, the executive leadership team will provide better guidance and better oversight if we ever receive funding of this type again. We will engage our grants accounting team to help develop policies and procedures and implement controls so that we stay compliant with any federal guidelines associated with such funds. In the event we are awarded funds of this nature again, we will develop a system to document reviews throughout the process.

AUDITOR'S COMMENT

We have reviewed management's comments. We have not adjusted the finding since management did not provide an argument for or evidence of the university's compliance with federal regulations, and management stated they will develop policies and procedures and will implement controls for future funding to ensure they are compliant.

Finding Number	2023-002
Assistance Listing Number	84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	Tennessee State University
Federal Award	
Identification Number	P268K230381
Federal Award Year	2022 and 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Cash Management
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

The financial aid office did not adequately reconcile its direct loan records to the Direct Loan Servicing System’s records, as required by federal regulations, and therefore could not resolve discrepancies timely

BACKGROUND

The Student Financial Assistance programs provide financial assistance to eligible students attending institutions of postsecondary education. The programs include assistance such as Pell Grants, Direct Student Loans, and Federal Work Study.

To be eligible for Student Financial Assistance, the student must first complete the Free Application for Federal Student Aid (FAFSA). Each school listed on a student’s FAFSA will receive the student’s Student Aid Report. The school then notifies the student of their total aid package.

The United States Department of Education (ED) has established certain requirements for each school to participate in the Student Financial Assistance programs. For direct loans, ED requires schools to reconcile direct loan data monthly between the school’s financial aid office and business office, and between school data, ED’s Common Origination and Disbursement System, and ED’s Grants Management (G5) System.

CONDITION

The financial aid office at Tennessee State University did not reconcile the university’s direct loan financial records with the federal Direct Loan Servicing System monthly, as required. While the

financial aid office was able to provide reports needed to reconcile direct loans, there was no documentation indicating the reconciliation was actually performed. As a result, any discrepancies were not identified, investigated, and resolved timely. The Director of Financial Aid stated that the university usually does not perform a complete reconciliation each month as required by ED. Instead, TSU management waits until the year-end closeout is completed to resolve most reconciling items. As of September 25, 2023, the financial aid office had not completed this reconciliation for fiscal year 2023.

CRITERIA

Title 34, *Code of Federal Regulations*, Part 685, Section 300(b)(5), states that to participate in the Direct Loan program, a school must “on a monthly basis, reconcile institutional records with Direct Loan funds received from the Secretary and Direct Loan disbursement records submitted to and accepted by the secretary.” The *2022–2023 Federal Student Aid Handbook*, Volume 4, Chapter 6, gives additional information regarding the reconciliation process:

A school that participates in the Direct Loan Program is required to reconcile cash (funds it received from the G5 system to pay its students) with disbursements (actual disbursement records) it submitted to the Common Origination and Disbursement (COD) system monthly.

In addition, Chapter 6 of the handbook goes on to state,

A school has completed its monthly reconciliation when all differences between the Direct Loan SAS [Student Account Statement] and the school’s internal records (Direct Loan system, financial aid office, and business office system) have been resolved or documented and the school’s ending cash balance is zero. Schools should clearly outline their reconciliation process and document in both the business office and financial aid office procedures.

Finally, while the handbook does not specify a particular format or reconciliation method, it does require that the school maintains “documented results of its monthly reconciliation to provide to auditors and reviewers at their request.”

CAUSE

The Director of Financial Aid stated that the financial aid office has differences from month to month because of the timing of funds being disbursed and drawn down, but these items will usually resolve themselves by the end of the award period. Because of these timing discrepancies, the university has not emphasized performing a complete reconciliation each month. In addition, the university did not have any policies or procedures outlining the direct loan reconciliation process. As previously stated, management had not provided the auditors with evidence of a complete reconciliation for any month of the fiscal year or the year-end closeout reconciliation as of September 25, 2023.

EFFECT

When the university does not reconcile its financial aid records to the net cash drawdowns and net booked disbursements as reported to the federal government, there could be unresolved errors in either the federal government's records or the university's records. The university could receive excess amounts from ED, which could result in questioned costs, or amounts could be due to the university if the funds are not being drawn down. In addition, when the university does not fully reconcile direct loans each month, reconciling items and errors may be harder to identify over time, making the annual reconciliation more complex than necessary. Performing documented monthly reconciliations and retaining all supporting documentation ensures that financial aid staff will receive all direct loan funds from ED and will make timely and accurate disbursements to students.



RECOMMENDATION

The financial aid office and the business office should develop policies and procedures for the reconciliation process. The Director of Financial Aid should ensure that the required monthly reconciliations are prepared and documented based on instructions in the *Federal Student Aid Handbook* and yearly training documents. If any items in the School Account Statement do not agree with the institution's financial records, financial aid staff should investigate and resolve these differences promptly. The Director of Financial Aid and a member of the business office should review the reconciliation each month and at award year-end to ensure its accuracy and completeness.

MANAGEMENT'S COMMENT

Tennessee State University concurs; both the prior Assistant Vice President (AVP) and the Associate Director of Loans of Financial Aid are no longer with the university. Reporting to the prior AVP, the prior Associate Director of Loans had primary oversight/responsibilities of the administration of the Federal Direct Loan Program, return of Title IV, overawards, loan limit C-flags, and reconciliation of federal programs. The Office of Financial Aid has restructured this position and created an additional position, the Assistant Director of Compliance, and both positions report to the Director. Under prior leadership, monthly meetings with the business office were conducted with verbal reconciliation amounts; however, no supporting documentation of reconciliation was provided. The Office of Financial Aid is in the process of hiring an independent financial aid consultant to solely focus on Direct Loan reconciliation to bring the program in compliance. The Director will review monthly reconciliations performed by the Associate Director of Loans.

Finding Number	2023-003
Assistance Listing Number	84.007, 84.063, and 84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	Tennessee State University
Federal Award	
Identification Number	P007A073927, P063P070381, and P268K230381
Federal Award Year	2022 and 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Special Tests and Provisions
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

Tennessee State University did not have adequate procedures to ensure Title IV credits were refunded timely per federal guidelines

BACKGROUND

The student financial assistance programs provide financial assistance to eligible students attending institutions of postsecondary education. These Title IV programs include assistance such as Pell Grants, Direct Student Loans, and Federal Work Study.

To be eligible for student financial assistance, the student must first complete the Free Application for Federal Student Aid (FAFSA). Each school listed on a student's FAFSA will receive the student's Student Aid Report. The school then notifies the student of the total aid package.

The U.S. Department of Education (ED) has established certain requirements for each school to participate in the student financial assistance programs. As a condition of these programs, institutions must provide notifications of the amounts awarded and loans disbursed. In addition, institutions are required to refund credits to the student's account within 14 days of posting the award to the student's account.

CONDITION

We tested a sample of 40 Title IV recipients at Tennessee State University (TSU) to determine whether TSU met disbursement requirements. These requirements included disbursing Title IV aid timely and in the appropriate amount, sending notices to students informing them of their awards and/or loan disbursements, and refunding within 14 days of disbursement any credits to student accounts created

by Title IV aid. Based on this work, we noted that 5 of the 26 students in our testwork (19%) had Title IV credits that were not refunded within 14 days of the date of disbursement. As noted in the table below, 8 separate refunds were not refunded timely, ranging from 1 to 85 days late.

Student	Term	Amount	Disbursement Date	Refund Date	Days to Refund	Days Late
1	Fall 2022	\$1,476	9/7/2023	10/7/2023	30	16
	Spring 2023	\$1,476	1/31/2023	3/10/2023	28	14
2	Fall 2022	\$4,064	11/11/2022	12/7/2023	26	12
	Spring 2023	\$3,509	1/31/2023	2/22/2023	22	8
3	Fall 2022	\$1,985	11/30/2022	3/9/2023	99	85
	Spring 2023	\$1,791	2/1/2023	3/9/2023	36	22
4	Spring 2023	\$2,660	1/31/2023	3/3/2023	31	17
5	Spring 2023	\$3,452	1/31/2023	2/15/2023	15	1

While conducting our testwork, we noted that 4 additional students also received refunds more than 14 days after the Title IV aid was disbursed to each student’s account. Because each student had a combination of federal and non-federal aid creating the credit, it did not meet the federal definition of a Title IV credit. However, these errors are a further indication of TSU’s failure to process refunds in a timely manner.

Errors Noted by Another State Entity

In addition, the Tennessee Student Assistance Corporation (TSAC) reported similar errors in an October 11, 2023, Program Review Report of TSU’s procedures for administering state financial aid programs. In this report, TSAC noted that 103 of 589 students tested (17%) who received state aid had a credit balance on their student account for an extended period; these balances were not refunded to the students in accordance with the institution’s policy. Although TSAC tested students who received state aid, these errors could have also affected students who received Title IV aid.

CRITERIA

The 2022–2023 *Federal Student Aid Handbook*, Volume 4, Chapter 2, states:

If FSA disbursements to a student’s account at the school create a Title IV credit balance, the school must pay the credit balance directly to the student or parent as soon as possible but ***no later than 14 days after:*** [emphasis in original]

- the first day of class of a payment period if the credit balance occurred on or before that day, or
- the balance occurred if that was after the first day of class.

CAUSE

TSU management implemented a general refund policy outlining the timing of refunds, as well as the differences between automatic and manual refunds. However, management did not develop adequate procedures to ensure that all Title IV credits are refunded within the timeframes required by federal guidance. Per discussion with TSU management, employee shortages and turnover resulted in the process not always being performed as outlined in the policy.

EFFECT

Refunding credits to students in a timely manner is essential to fulfilling the goals of Title IV programs. Students may depend on these refunds to pay for non-institutional charges, such as off-campus housing, transportation, or meals. Without these funds, students may not have the resources available to pay for these potentially significant costs, which can be a barrier to a successful college career.

In addition, violations of federal requirements could result in ED imposing a fine on the university and/or limiting, suspending, or terminating TSU's participation in a Title IV program. These actions could hurt the university and the students impacted by the loss of Title IV aid.



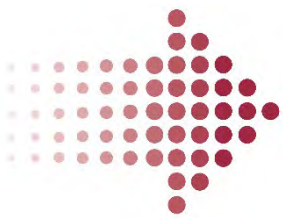
RECOMMENDATION

TSU management should revise and adequately document procedures to ensure that credits on student accounts are refunded within 14 days of Title IV aid being disbursed. In addition, leadership should take necessary steps to ensure that staffing is adequate to ensure compliance. Finally, TSU management should establish additional review procedures to identify credits that have not been refunded and ensure refunds are processed timely.

MANAGEMENT'S COMMENT

Tennessee State University concurs with the finding and has taken steps to strengthen processes around student refunds. The Bursar's Office has undergone restructuring to build out a resolute accounting team, including a refund analyst reporting to the new Accounting Manager. Recruitment is underway for two additional analyst roles to complete the review team, who will monitor refund compliance daily. Interviews are currently in progress to fill these new positions. The university is committed to continuous improvement in this area and enhancing the capacity of the Bursar's Office to provide timely and accurate refunds to students.

Finding Number	2023-004
Assistance Listing Number	84.063 and 84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	Tennessee State University
Federal Award	
Identification Number	P063P070381 and P268K230381
Federal Award Year	2022 and 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Special Tests and Provisions
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

For the federal Direct Loan and Pell Grant programs, Tennessee State University did not report timely and accurate information regarding students' enrollment statuses

BACKGROUND

The Student Financial Assistance programs provide financial assistance to eligible students attending institutions of postsecondary education. The Title IV programs include assistance such as Pell Grants, Direct Student Loans, and Federal Work Study.

To be eligible for student financial assistance, the student must first complete the Free Application for Federal Student Aid (FAFSA). Each school listed on a student's FAFSA will receive the student's Student Aid Report. The school then notifies the student of their total aid package.

The U.S. Department of Education (ED) has established certain requirements for each school to participate in the student financial assistance programs. For student recipients of Pell Grants or Direct Loans, ED requires institutions to report students' enrollment statuses for each term to the National Student Loan Data System (NSLDS). The institution is also required to report changes to students' enrollment, such as graduations, withdrawals, and transitions between full- and part-time status.

CONDITION

We tested a sample of 42 Direct Loan borrowers and/or Pell Grant recipients at Tennessee State University (TSU). These 42 students had 54 separate instances where TSU should have reported an

enrollment status change to NSLDS. As of August 17, 2023, the day of our testwork, we found that for 16 of 54 (30%) status changes tested, TSU either did not report any information or reported incorrect information to NSLDS.

Not Reported

- The enrollment services office had not reported May 2023 graduations for 5 former students at the time of our testing.
- The enrollment services office had not reported 3 status change occurrences from the spring semester. This included 2 withdrawals and 1 situation where the student dropped courses, causing a change in their enrollment status.
- For 2 students enrolled in the spring semester, there was no record of enrollment history in NSLDS.
- Per discussion with the Assistant Vice President of Admissions and Records, TSU had not reported any student's status for the summer 2023 term. This led to 4 students in our sample having statuses that TSU had not reported 79 days after the semester began on May 30, 2023.

Reported Incorrectly

- The enrollment services office incorrectly reported enrollment status changes for 2 students during the spring semester. These were full-time students but were reported as half-time and three-quarter time.

Errors Noted by Another State Entity

In addition, the Tennessee Student Assistance Corporation (TSAC) reported additional errors that could affect enrollment reporting in an October 11, 2023, Program Review Report of TSU's procedures for administering state financial aid programs. In this report, TSAC noted that the institution updated the grading policy to add an "FA" grade; however, TSU staff described this grade as both an unofficial withdrawal and a failure. For students with this grade,

the LDA [last day of attendance] was not documented in every case and there was no evidence of internal controls in place to monitor instructors who fail to use the grade properly or to evaluate the student's enrollment to verify financial aid was correctly paid to the student.

The TSAC review report also noted that "there was no evidence the institution monitors course engagement and enrollment changes for students participating in state programs, which led to incorrect awarding of state aid." TSAC noted the following examples of inconsistencies in enrollment:

- Course hours removed . . . due to a noted registration error
- Withdrawals are processed retroactively and back dated prior to the start of class with some

- or all courses completely disappearing from the student’s enrollment . . .
- Students receiving an “FA” grade without a last date of attendance.

Although TSAC tested students who received state aid, these errors could have also affected students who received Title IV aid.

CRITERIA

Federal Guidance

The *Federal Student Aid Handbook*, Volume 2, Chapter 3, states that institutions “must report enrollment changes within 30 days; however, if a roster file is expected within 60 days, you may provide the updated data on that file.”

In the introduction to Chapter 1, the *NSLDS Enrollment Reporting Guide* states, “Accurate and timely Enrollment Reporting to NSLDS is essential to the Department of Education’s successful delivery of Title IV aid.” The requirements are established in Title 34, *Code of Federal Regulations*, Section 309(b).

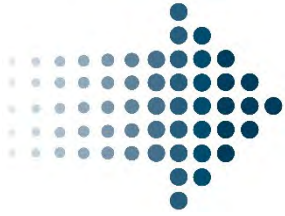
CAUSE

Per discussion with the Assistant Vice President of Admissions and Records, some graduates were late additions to the graduation list. These late additions were due to a variety of situations but were primarily related to students having to obtain approval to replace required courses for a degree with other courses. TSU did not report any additional graduations to NSLDS after the late additions were made.

Based on our review, it does not appear that TSU management is ensuring changes in enrollment are being made timely. In addition, TSU is not adequately reviewing enrollment information in NSLDS to ensure changes are reported accurately. Management did not provide any additional information to help determine the cause, despite our multiple attempts to follow up on the issues.

EFFECT

Timely and accurate enrollment reporting is critical for effective management of ED programs. The accurate administration of the Title IV programs depends heavily on the accuracy of the enrollment information reported by schools. Accurate, timely, and complete enrollment data is also important to the students, who can view their current campus enrollment information and their program enrollment history. Also, if an individual graduated or no longer attends TSU but is not reported as such, the individual’s loan repayment grace period could be improperly extended, resulting in the student’s loan repayments being improperly deferred.



RECOMMENDATION

TSU management should review and update its processes as necessary to ensure the enrollment services office uploads and submits the correct information to NSLDS. In addition, the Assistant Vice President of Admissions and Records should ensure that staff know reporting deadlines and the importance of reporting enrollment status changes. The Assistant Vice President of Admissions and Records should also ensure that enrollment status changes are reported timely.

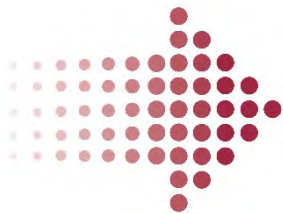
MANAGEMENT'S COMMENT

Tennessee State University concurs with the finding. Additional staff will be hired to oversee enrollment reporting. Updates to the National Student Clearinghouse will be reported on the census date, every 30–45 days thereafter (subsequent of term), and at the end of the term. Any errors will be corrected within 5–7 business days. The withdrawal process will be communicated to the staff during training sessions and staff meetings.

Finding Number	2023-005
Assistance Listing Number	84.007, 84.063, and 84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	Tennessee State University
Federal Award	
Identification Number	P007A073927, P063P070381, and P268K230381
Federal Award Year	2022 and 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Special Tests and Provisions
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
84.007	P007A073927	\$46,352
84.063	P063P070381	\$2,563
84.268	P268K230381	\$71,344



FINDING

Tennessee State University did not return Title IV funds in compliance with federal regulations

BACKGROUND

The Student Financial Assistance programs provide financial assistance to eligible students attending institutions of postsecondary education. The Title IV programs include assistance such as Pell Grants, Direct Student Loans, and Federal Work Study.

To be eligible for student financial assistance, the student must first complete the Free Application for Federal Student Aid (FAFSA). Each school listed on a student’s FAFSA will receive the student’s Student Aid Report. The school then notifies the student of their total aid package.

The U.S. Department of Education (ED) has established certain requirements for each school to participate in the student financial assistance programs. For Title IV recipients who did not complete at least 60% of the semester, the school is required to perform a calculation to determine the amount of unearned aid that it must return to ED.

CONDITION

We selected 2 samples of 30 students who officially or unofficially withdrew from classes at Tennessee State University (TSU) during the 2021–2022 award year. We selected the first sample of 30 student withdrawals from a population of 164 students who had an official or unofficial withdrawal before the 60% completion date. We tested these items to ensure that withdrawal dates were accurate, that calculations were performed correctly, and that amounts were returned to ED within the required timeframes. Of the 30 withdrawals, we were not able to test 18 as these students were on the withdrawal list but never began classes and did not receive Title IV aid during the semester of the withdrawal. Of the remaining 12 withdrawals, we noted 7 (58.3%) errors.

Of the 7 errors, 4 errors were for students who withdrew during the semester. Specifically,

- For 1 student, TSU did not return the Title IV funds to ED even though the student withdrew on the second day of the fall 2022 term, resulting in questioned costs of \$3,374.
- For 1 student, TSU did not enter the correct amount of the student's Pell disbursement in the return calculation. This led to TSU calculating and returning from university funds \$8,083, which was \$432 more than necessary.
- For 1 student, TSU returned the correct portion of Direct Loans that the student received but did not return the applicable amount of the Pell Grant. This resulted in a return of \$3,096 instead of the correct \$6,309, a \$3,213 shortfall. We identified this shortfall as questioned costs.
- For 1 additional student, TSU management returned the Title IV funds 49 days after the student's withdrawal date. This is 4 days later than the 45 days required for returning funds because of withdrawals.

The remaining 3 errors were related to students who were initially charged tuition and had Title IV aid applied to their account but never began attendance. While the school applied charges and Title IV aid to these students' accounts based on information from the FAFSA, we noted that these students had not registered for classes. ED specifies that awards to students who never begin attendance are overawards and must be returned within 30 days after the school has determined the student did not begin attendance.

- For 2 of these students, TSU management returned the full amount of the Title IV overaward, but did so 37 and 42 days after the school determined the student did not begin attendance for the spring 2023 semester. These returns were 7 and 12 days late, respectively.
- For 1 student, TSU performed a return of Title IV funds calculation based on an incorrect withdrawal date even though the student had never registered for the fall 2023 semester.

TSU returned \$2,761; however, the full amount of \$5,240 should have been considered an overaward and fully returned. This led to questioned costs of \$2,479.

In addition, we selected a sample of 30 from a population of 75 students who completed over 60% of the semester in which they withdrew to ensure that TSU recorded the withdrawal dates correctly, had adequate attendance records to support the withdrawal date, and did not remove Title IV funds from the account. Of the original 30 sample items, we were not able to test 7 items as the student was on the withdrawal list but never began classes and never received Title IV aid during the semester of the withdrawal. Of the 23 remaining items, we noted 21 (91.3%) errors:

- For 1 student, TSU entered a withdrawal date beyond the 60% point of the semester; however, the student never began attendance but did have Title IV aid of \$4,446 applied to his account, which we have identified as questioned costs.
- For 20 students, TSU entered a withdrawal date, but attendance records did not support the withdrawal date, and management could not provide any additional support for the withdrawal dates used upon further request. Questioned costs related to these items were \$107,179.

Due to the high number of errors in both samples, we determined that additional testwork was not required to replace the items for which testing was not applicable.

Errors Noted by Another State Entity

In addition, the Tennessee Student Assistance Corporation (TSAC) reported similar errors in an October 11, 2023, Program Review Report of TSU's procedures for administering state financial aid programs. In this report, TSAC noted that the institution updated the grading policy to add an "FA" grade; however, TSU staff described this grade as both an unofficial withdrawal and a failure. For students with this grade,

the LDA [last day of attendance] was not documented in every case and there was no evidence of internal controls in place to monitor instructors who fail to use the grade properly or to evaluate the student's enrollment to verify financial aid was correctly paid to the student.

The TSAC review report also noted that "there was no evidence that TSU monitors course engagement and enrollment changes for students participating in state programs, which led to incorrect awarding of state aid." TSAC noted the following examples of inconsistencies in enrollment:

- Course hours removed . . . due to a noted registration error
- Withdrawals are processed retroactively and back dated prior to the start of class with some or all courses completely disappearing from the student's enrollment . . .
- Students receiving an "FA" grade without a last date of attendance.

Although TSAC tested students who received state aid, these errors could have also affected students who received Title IV aid.

CRITERIA

The 2022–2023 *Federal Student Aid Handbook*, Volume 5, Chapter 1, states,

Up **through the 60% point** in each payment period or period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. **After the 60% point** in the payment period or period of enrollment, a student has earned 100% of the Title IV funds the student received and was scheduled to receive during the period [emphasis in original].

Title 34, *Code of Federal Regulations*, Part 668, Section 22(b)(1), states,

For purposes of this section, for a student who ceases attendance at an institution that is required to take attendance, . . . the student’s withdrawal date is the last date of academic attendance as determined by the institution from its attendance records.

The 2022–2023 *Federal Student Aid Handbook*, Volume 4, Chapter 3, states,

Schools must return funds disbursed to a student who failed to begin attendance as soon as possible but **no later than 30 days** after the date they become aware that the student has not begun and will not begin attendance [emphasis in original].

The 2022–2023 *Federal Student Aid Handbook*, Volume 5, Chapter 2, provides that

A school **must** return unearned funds for which it is responsible **as soon as possible** but no later than 45 days after the date of determination of a student’s withdrawal [emphasis in original].

CAUSE

Based on our review, it appears that staff do not always appropriately update Banner, TSU’s information system. Specifically, we noted that attendance records, withdrawal dates, and financial aid information were unsupported or incorrect in a majority of the errors. Management did not provide us with additional information related to the cause of these issues, despite our numerous requests.

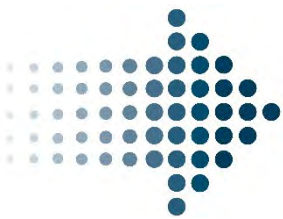
EFFECT

For the 35 students tested, TSU calculated a total return of \$38,053 in Title IV funds. The corrected total after adjustment for the errors we noted in our testwork was \$51,133, which is \$13,080 more than TSU returned to ED. In addition, we were unable to verify withdrawal dates for 20 students.

The students for whom we could not determine withdrawal dates received \$107,179 in Title IV funds. This resulted in total questioned costs of \$120,259.

Violations of the federal requirement to timely return Title IV funds to ED could result in ED imposing a fine on TSU and/or limiting, suspending, or terminating TSU's participation in a Title IV program. These actions could hurt the university and the students impacted by the loss of Title IV aid.

In addition, incorrect return calculations and/or withdrawal dates can negatively impact students. If TSU incorrectly calculates and returns the amount of unearned aid to ED, it could impact the amount of aid the student is eligible to receive in future terms.



RECOMMENDATION

The Registrar's Office and the Financial Aid Office should follow federal regulations. Management should ensure that the Financial Aid Office reperforms all return of Title IV funds calculations and makes necessary corrections to student and federal fund accounts for the 2022–2023 academic year. Finally, TSU should ensure that the Registrar's Office communicates any withdrawals to the Financial Aid Office in a timely manner.

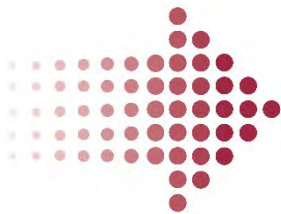
MANAGEMENT'S COMMENT

Tennessee State University concurs; both the prior Assistant Vice President (AVP) and the Associate Director of Loans of Financial Aid are no longer with the university. Reporting to the prior AVP, the prior Associate Director of Loans had primary oversight/responsibilities of the administration of the Federal Direct Loan Program, return of Title IV, overawards, loan limit C-flags, and reconciliation of federal programs. The Office of Financial Aid has restructured this position and created an additional position, the Assistant Director of Compliance, and both positions report to the Director. The Office of Financial Aid will review 2022–2023 Title IV funds and make necessary corrections. Additionally, the Return of Title IV report will be reviewed daily by both the Financial and Records Office to ensure federal regulations are followed. The Registrar's Office is in the process of developing internal automated withdrawal notices to ensure the respective departments are aware of withdrawals in real time.

Finding Number	2023-006
Assistance Listing Number	84.007, 84.033, 84.063, and 84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	Tennessee State University
Federal Award Identification Number	P007A073927, P033A223927, P063P070381 and P268K30381
Federal Award Year	2022 and 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Eligibility
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
84.007	P007A073927	\$3,500
84.033	P033A223927	\$939
84.063	P063P070381	\$16,222
84.268	P268K230381	\$162,822



FINDING

Tennessee State University's Office of Financial Aid granted Title IV funds to ineligible students

BACKGROUND

The Student Financial Assistance programs provide financial assistance to eligible students attending institutions of postsecondary education. These Title IV programs include assistance such as Pell Grants, Direct Loans, and Federal Work Study.

To be eligible for student financial assistance, a student must first complete the Free Application for Federal Student Aid (FAFSA). Each school listed on a student's FAFSA will receive the student's Student Aid Report. The school then notifies the student of their total aid package.

The U.S. Department of Education (ED) has established certain requirements for each school to participate in the student financial assistance programs. In order to participate, some of Tennessee State University's (the university) responsibilities are to determine student eligibility, verify data for students selected for verification, and not exceed ED's maximum assistance amounts either

individually or as part of the total aid package. Title 34, *Code of Federal Regulations* (CFR), Part 668, Section 164(b)(3), states, “At the time a disbursement is made to a student for a payment period, an institution must confirm that the student is eligible for the type and amount of Title IV, HEA [Higher Education Act] program funds identified by that disbursement.” Students must also meet and maintain certain requirements, such as income levels and grade point averages (GPAs), to be eligible for Title IV assistance.

CONDITION, CAUSE, AND CRITERIA

The university’s Office of Financial Aid did not adequately verify whether student recipients were eligible for Title IV financial aid. We found that management lacked controls, and as a result, the university overpaid \$183,483 to student recipients.

We reviewed the entire population of 5,619 students enrolled at the university who received Title IV student financial assistance during the 2022–2023 award year. Of the 5,619 students, 30 students (0.53%) received excess financial aid based on their eligibility. Our results revealed the following:

- **The university awarded Title IV funds to 17 students that had already reached their aggregate loan limit and were ineligible for additional Title IV financial aid.** 34 CFR 668.32 states that a student is eligible to receive Direct Loans, except as provided in 34 CFR 668.35(d), if the student has not obtained loan amounts in excess of the program’s annual or aggregate loan limits. 34 CFR 668.35(d) states that if a student has received loan funds exceeding the annual or aggregate loan limits, the student must either repay the excess amount in full or arrange with the lender to repay the excess loan amount before they may receive any further Title IV assistance, including Pell Grants. The university did not provide documentation that students had made these arrangements. Therefore, the university made awards in violation of federal regulations as shown in **Table 1**.

Table 1
Overawards Given to Students Who Had Already Reached Their Loan Limit

Program	Amount
Pell	\$ 853
Subsidized Direct Loans	31,856
Unsubsidized Direct Loans	99,159
Federal Supplemental Educational Opportunity Grants (FSEOG)	2,000
Total	\$133,868

- **For six students, the university did not obtain the documentation to verify certain information on FAFSAs before awarding aid to the students, as required by ED.** 34 CFR 668.60 (b)(1)(i) requires institutions to verify that applicants for financial aid provided documentation supporting their applications, and the institution may not award

funds if the applicants do not provide the requested documentation. Additionally, 34 CFR 668.60(c)(2) states, “If the applicant does not provide to the institution the requested documentation and, if necessary, a valid SAR [Student Aid Report] or the institution does not receive a valid ISIR [Institutional Student Information Record], within the additional time period . . . the applicant—(i) Forfeits the Federal Pell Grant for the award year; and (ii) Must return any Federal Pell Grant payments previously received for that award year.” By awarding funds to students without receiving the necessary documentation, the university awarded the aid listed in **Table 2** in violation of federal regulations.

Table 2
Overawards Given to Students Without Verifying FAFSA Information

Program	Amount
Pell	\$10,197
Subsidized Direct Loans	11,382
Unsubsidized Direct Loans	7,424
FSEOG	1,500
Total	\$30,503

- **For five students, the university awarded Title IV funds that, when combined with other sources of financial aid, exceeded the student’s cost of attendance.** 34 CFR 685.203(j) prohibits Direct Subsidized, Direct Unsubsidized, or Direct PLUS loans from exceeding the student’s estimated cost of attendance minus other expected financial aid. Volume 6, Chapter 2 of the 2023–2024 *Federal Student Aid Handbook* further clarifies that “a financial aid administrator may not award [Federal Work Study] employment to a student if that award, when combined with all other resources, would exceed the student’s need.” Therefore, the university awarded the following aid in violation of federal regulations, as shown in **Table 3**.

Table 3
Overawards That, Combined With Other Financial Aid, Exceeded the Student’s Cost of Attendance

Program	Amount
Subsidized Direct Loans	\$7,110
Unsubsidized Direct Loans	417
Direct Plus Loans	773
Federal Work Study	939
Total	\$9,239

- **The university awarded Pell and Direct Loan funds to one student without verifying that the student’s GPA met the criteria for satisfactory academic progress.** 34 CFR 668.34(a) requires institutions that participate in Title IV programs to “establish a

reasonable satisfactory academic progress policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the title IV, HEA programs.” While the university has a satisfactory academic progress policy in place, it did not adhere to the policy requirement to verify a readmitted student’s academic standing before awarding funds. Therefore, the university awarded the following aid to the student in violation of federal regulations, as shown in **Table 4**.

Table 4
Overawards Given to a Student Without Verifying GPA Criteria

Program	Amount
Pell	\$1,724
Subsidized Direct Loans	1,732
Unsubsidized Direct Loans	2,969
Total	\$6,425

- **The university awarded one student \$3,448 in Pell funds without verifying that the student had completed high school.** 34 CFR 668.32(e)(j) requires students to have a high school diploma, its equivalent, or an approved alternative to receive Title IV funds. The university did not have the student’s diploma or equivalent on file. Therefore, the university awarded the aid in violation of federal regulations.

Errors Noted by Another State Entity

In addition, the Tennessee Student Assistance Corporation (TSAC) reported similar errors in an October 11, 2023, Program Review Report of the university’s procedures for administering state financial aid programs. In this report, TSAC noted 26 observations, warnings, and findings related to the university’s administration of state financial aid. These observations, warnings, and findings included issues such as not verifying the student was a high school graduate, not correctly administering satisfactory academic progress, not monitoring student attendance or enrollment changes, and awarding aid in excess of the student’s cost of attendance. Although TSAC tested students who received state aid, these errors could have also affected students who received Title IV aid.

EFFECT

Because Financial Aid staff did not properly monitor student eligibility and enter accurate student information, students received Title IV financial assistance for which they were not eligible. Because of the university’s errors, we are questioning a total of \$183,483, broken down by program in **Table 5**.

Table 5
Questioned Costs by Title IV Program

Program	Overaward	Total Award
Pell Grants	\$ 16,222	\$21,021,419
Direct Subsidized Loans	52,080	10,712,135
Direct Unsubsidized Loans	109,969	16,756,208
Direct Plus Loans	773	11,863,472
FSEOG	3,500	1,748,341
Federal Work Study	939	477,487
Total	\$183,483	\$62,579,062

Furthermore, when the university grants students Title IV funds to which they are not entitled, ED could take adverse actions against the university, including a fine, suspension, or termination from the Title IV program. These actions would hurt the university and the students impacted by the loss of Title IV aid.

RECOMMENDATION

Tennessee State University should ensure that they properly confirm the eligibility of Title IV aid recipients before disbursing Title IV funds to students. The university should implement controls to ensure the appropriate staff confirm that students do not receive aid when they have already reached the loan limit or if the total funds would be greater than the cost of attendance. The controls should also ensure that staff verify required documents and monitor satisfactory academic progress.

MANAGEMENT’S COMMENT

Tennessee State University concurs; both the prior Assistant Vice President (AVP) and the Associate Director of Loans of Financial Aid are no longer with the university. Reporting to the prior AVP, the prior Associate Director of Loans had primary oversight/responsibilities of the administration of the Federal Direct Loan Program, return of Title IV, overawards, loan limit C-flags, and reconciliation of federal programs. The Office of Financial Aid has restructured this position and created an additional position, the Assistant Director of Compliance, and both positions report to the Director. The prior AVP of Financial Aid oversaw the review and eligibility of maximum timeframe satisfactory academic progress (SAP) for students; the Office of Financial Aid has created an additional internal control that prevents readmitted and transfer students from being included in the automation of evaluation until admission requirements are verified by Enrollment Services.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF EDUCATION

Finding 2023-007: Because department management has been working with the U.S. Department of Education on a year-by-year basis to correct prior-year miscalculations, department management did not have approved, correct prior-year amounts on which to base the 2023 allocations, which caused the allocations to be incorrect for the third year in a row

Finding 2023-008: The Department of Education management reimbursed local educational agencies for expenditures that occurred outside of the Student Support and Academic Enrichment Program grant's period of performance

Finding 2023-009: Department management reimbursed local education agencies and vendors for costs that were unallowable or not adequately supported, resulting in \$102,938 in federal questioned costs

Finding 2023-010: Department of Education management incurred expenditures, liquidated funds, and reimbursed local educational agencies for expenditures that occurred outside of the Special Education grants' periods of performance

Finding 2023-011: Department of Education management did not have effective internal controls over matching, maintenance of effort, and earmarking requirements and, due to turnover and poor records management, could not provide evidence of compliance

Finding 2023-012: The Department of Education management paid for administrative expenditures that occurred outside of the Career and Technical Education program's period of performance

Finding Number	2023-007
Assistance Listing Number	84.010 and 84.424
Program Name	Title I Grants to Local Educational Agencies Student Support and Academic Enrichment Program
Federal Agency	Department of Education
State Agency	Department of Education
Federal Award Identification Number	S010A190042, S010A200042, S010A210042, S010A220042, S424A190044, S424A200044, S424A210044, and S424A220044
Federal Award Year	2019 through 2023
Finding Type	Material Weakness and Noncompliance
Compliance Requirement	Eligibility Matching, Level of Effort, Earmarking
Repeat Finding	2022-008
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

Because department management has been working with the U.S. Department of Education on a year-by-year basis to correct prior-year miscalculations, department management did not have approved, correct prior-year amounts on which to base the 2023 allocations, which caused the allocations to be incorrect for the third year in a row

BACKGROUND

The Tennessee Department of Education (the department) is the pass-through entity for federal programs and distributes funds to the state’s 146 local educational agencies (LEAs) under the following programs administered by the U.S. Department of Education (ED): Title I Grants to Local Educational Agencies¹ (Title I) and Student Support and Academic Enrichment Program Grant² (Title IV).

The department received federal funding as presented in **Table 1**.

¹ Title I Grants to Local Educational Agencies is a federal program to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families.

² The Student Support and Academic Enrichment Program is a federal program to improve students’ academic achievement by providing all students with access to a well-rounded education, improving school conditions for student learning, and improving the use of technology to improve academic achievement and digital literacy of all students.

Table 1
Department’s Federal Funding for Fiscal Year 2023 by Program

Program	Total Federal Award Amount	LEA Allocation	State Administration and Activities
Title I	\$349,663,715	\$322,472,929	\$27,190,786
Title IV	\$24,033,072	\$22,831,419	\$1,201,653

Source: Department Documentation.

Department’s Responsibilities as a Grant Administrator

As outlined in Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 303, as a grant administrator for federal funds, the department must

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. . . . (c) Evaluate and monitor the non-Federal entity’s compliance with statutes, regulations and the terms and conditions of Federal awards. . . . (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

Overview of Allocation Distribution by Funding Source

Title I

Title I consists of four grant formulas: basic, concentration, targeted, and education finance incentive grants. ED determines the amount to allocate to each state and each LEA based on their formula children³ counts. When applicable, the department must then adjust the ED allocation amounts for

1. when LEAs consolidate or separate, when area boundaries are redrawn, or when changes have occurred since the Census Bureau updated its list of LEAs;⁴ and
2. for special LEAs that are not on the list of traditional LEAs provided to the ED by the Census Bureau.⁵

³ According to 34 CFR 200.70, formula children include children ages 5 to 17 who are “(1) From families below the poverty level based on the most recent satisfactory data available from the Bureau of the Census; (2) From families above the poverty level receiving assistance under the Temporary Assistance for Needy Families program under Title IV of the Social Security Act; (3) Being supported in foster homes with public funds; and (4) Residing in local institutions for neglected children.”

⁴ For our audit period, this adjustment was not applicable.

⁵ The department’s special LEAs include the Achievement School District and the state’s special schools. Tennessee’s Special School Districts include the Tennessee School for the Blind, the Tennessee School for the Deaf, the West Tennessee School for the Deaf, and the Alvin C. York Institute.

For all students enrolled in special LEAs, the department must determine under which traditional LEA the student is counted. The department uses this information to transfer funding from the traditional LEA to the special LEA based on the formula children criteria.

Once the department adjusts the original ED allocation for the special LEAs, it must then further adjust the allocations to ensure each LEA receives at least its hold-harmless amount,⁶ which is calculated using the prior-year allocations. The department determines which LEA allocations do not meet the LEAs' hold-harmless amount and proportionately reduces or raises allocations to meet the hold-harmless amount.

Title IV

The department uses Title I allocations to determine Title IV allocations to LEAs. Title IV allocations should be proportionate to the Title I allocations the LEA received in the preceding fiscal year.

PRIOR AUDIT RESULTS

Department's Noncompliance and Inadequate Controls

As we first reported in the *2021 State of Tennessee Single Audit Report* (Finding 2021-015), in April 2021, the ED's Office of Elementary and Secondary Education (OESE) conducted a performance monitoring review of multiple programs and found the department incorrectly calculated its funding allocations to LEAs under the Title I program. Because the department must use the Title I allocations to determine Title IV allocations to LEAs, the department also incorrectly allocated this program. OESE stated in the *Tennessee Consolidated Performance Review Report #2 of 2 FY 2021*,⁷ dated November 30, 2021, that for the special LEAs, the department

determines their allocations for [Title I] based on their enrollment. This approach is inconsistent with the requirements . . . for Title I, Part A because [the department] does not derive a Title I, Part A formula count for these LEAs or determine whether they meet the eligibility criteria under each formula.

In 2021, OESE also found that the department failed to update its allocation methodology when the federal requirements changed in 2018; therefore, management did not correctly apply hold-harmless requirements for Title I for each of the four formula grants. The department instead determined if LEAs met hold-harmless requirements based on the **total** Title I allocations.

⁶ Hold-harmless requires the department to allocate to an LEA at least a certain percentage of its prior-year allocation—85%, 90%, or 95%, depending on the LEA's proportion of formula children.

⁷ Tennessee Consolidated Performance Review Reports can be found at <https://oese.ed.gov/files/2021/11/TDOE-Performance-Review-Report-Part-1.pdf> and <https://oese.ed.gov/files/2021/11/TDOE-Performance-Monitoring-Review-Report-2.pdf>.

In 2021 and 2022, management responded to the finding that they were continuing to work with the U.S. Department of Education on a corrective action plan for prior years, including determining whether any allocations should be adjusted retroactively.

CURRENT CONDITION AND CAUSE

Status of Corrective Action to Address Lack of Internal Control and Noncompliance

Department management has been working with OESE to develop and implement corrective action, since late summer/fall of 2021. Management developed updated procedures to calculate Title I and Title IV allocations and obtained approval from OESE to continue with allocation corrections for fiscal years 2018 through 2022 using those procedures. Beginning in January 2022 and continuing through our audit period, management worked with OESE to review allocations and develop a plan to pay LEAs that were under-allocated using other available federal funds. In response to the repeat audit finding (*2022 State of Tennessee Single Audit Finding 2022-008*), management indicated that once OESE and the department agree on the allocation corrections and an appropriate repayment plan, management will document the details in a Memorandum of Agreement, which the department will implement upon signing. As of December 11, 2023, the department and OESE are working toward finalizing the corrective action in the Memorandum of Agreement.

Given management's ongoing involvement with OESE to recalculate and correct all affected years' allocations, we are continuing to report this finding to fulfill our reporting responsibilities under the Office of Management and Budget's *Compliance Supplement* and the requirement of 2 CFR 200.

Current Risk Assessment

Because of the issues we identified, we reviewed the department's December 2022 Financial Integrity Act Risk Assessment and determined that management listed the risk of inadequate controls over the data and the funding calculation for Every Student Succeeds Act allocation for school districts. Management listed "experienced staff with detailed understanding of the mechanics" as a control to mitigate the risk; however, the control, as noted by management in our discussions, was adversely impacted due to turnover of experienced staff. Without having appropriate risk responses to identify, analyze, and respond to changes, management could not mitigate the identified risk, increasing the likelihood of error and noncompliance.

EFFECT

Federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award.

According to 2 CFR 200.208(c), "Specific conditions,"

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debarring the agency,
- declining to award additional federal funds, or
- pursuing other available legal remedies.

CRITERIA

Title I

In its review report in 2021, OESE summarized 34 CFR 200.72 and stated that for each special LEA, management

must estimate the number of Title I, Part A formula children for that LEA by deriving the equivalent of the most recently available poverty estimates from the U.S. Census Bureau’s Small Area and Income Population Estimates (SAIPE) branch, which the Department provides to each [state]. [A state] must then use the derived formula count to determine whether the LEA meets the eligibility criteria under each Title I, Part A formula.

Title IV

According to Section 4105(a)(1) of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act,

From the funds reserved by a State under section 4104(a)(1), the State shall allocate to each local educational agency in the State that has an application approved by the State educational agency under section 4106 an amount that bears the same relationship to the total amount of

such reservation as the amount the local educational agency received under subpart 2 of part A of title I for the preceding fiscal year bears to the total amount received by all local educational agencies in the State under such subpart for the preceding fiscal year.

Risk Assessment

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies. According to Green Book Principle 7, "Identify, Analyze, and Respond to Risks,"

7.09 . . . When risk response actions do not enable the entity to operate within the defined risk tolerances, management may need to revise risk responses or reconsider defined risk tolerances. Management may need to conduct periodic risk assessments to evaluate the effectiveness of the risk response actions.

According to Principle 9, "Identify, Analyze, and Respond to Change,"

9.03 Conditions affecting the entity and its environment continually change. Management can anticipate and plan for significant changes by using a forward-looking process for identifying change. Management identifies, on a timely basis, significant changes to internal and external conditions that have already occurred or are expected to occur. Changes in internal conditions include changes to the entity's programs or activities, oversight structure, organizational structure, personnel, and technology. Changes in external conditions include changes in the governmental, economic, technological, legal, regulatory, and physical environments. Identified significant changes are communicated across the entity through established reporting lines to appropriate personnel.



RECOMMENDATION

Management should continue working with OESE to recalculate LEA allocations and make whole the underfunded LEAs. After management recalculates allocations and OESE approves the revisions, management should also finalize and implement their policies and procedures governing the allocations to ensure staff responsible for performing and reviewing federal award calculations are aware of current federal requirements.

Management should identify all risks and implement effective controls to address the risks noted in this finding, update the risk assessment as necessary, and take action if deficiencies occur.

MANAGEMENT'S COMMENT

The department concurs with this finding. The department's Deputy Commissioner, Chief Operating Officer, Assistant Commissioner of Federal Programs and Oversight, and Chief Financial Officer worked with the U.S. Department of Education to finalize and obtain approval for a corrective action plan in December 2023. The corrective action plan will be implemented from state fiscal year 2024 to state fiscal year 2031.

The department's Division of Local Finance and Division of Federal Programs and Oversight will continue to implement revised controls to address the risks noted in this finding. This work will include updating the department's risk assessment as necessary, professional development, and taking the necessary actions if deficiencies are identified. Internal controls will be developed to ensure that staff responsible for performing and reviewing federal award calculations are aware of current federal requirements.

Moving forward, the department's Office of Finance will serve as a secondary internal check before annual allocations are released.

Finding Number	2023-008
Assistance Listing Number	84.424
Program Name	Student Support and Academic Enrichment Program
Federal Agency	Department of Education
State Agency	Department of Education
Federal Award	
Identification Number	S424A200044
Federal Award Year	2020 through 2022
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Period of Performance
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	47,303



FINDING

The Department of Education management reimbursed local educational agencies for expenditures that occurred outside of the Student Support and Academic Enrichment Program grant’s period of performance

BACKGROUND

The Title IV, Part A, Student Support and Academic Enrichment Program (Title IV) is a federal program to improve students’ academic achievement by providing all students with access to a well-rounded education, improving school conditions for student learning, and improving the use of technology in order to improve the academic achievement and digital literacy of all students. Federal funding for Title IV is only available to the Department of Education (the department) and its subrecipients for a limited time (referred to as the grant’s period of performance).⁸ Each year, the department receives a grant award notification from the U.S. Department of Education outlining the Title IV award amount and the period of performance (budget period).⁹ The department has 15 months to charge expenditures to each grant award; however, Title IV is governed by the requirements of the Tydings Amendment (Title 20, *United States Code*, Chapter 31, Section 1225[b]), which extends the period of performance 12 additional months, for a total of 27 months.

⁸ According to Title 2, *Code of Federal Regulations* (CFR), Part 200 Section 1, “Period of performance means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods.”

⁹ According to 2 CFR 200.1, “Budget period means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward.”

CONDITION AND CAUSE

We tested a nonstatistical, random sample of 25 expenditure transactions, totaling \$120,267, from a population of 44 expenditure transactions, totaling \$164,532, that were charged to the Title IV grant award S424A200044 after September 30, 2022, to determine if the costs occurred during the grant's period of performance, July 1, 2020, through September 30, 2022. For 15 of 25 expenditure transactions tested (60%), management did not ensure the costs reimbursed to the local educational agencies (LEAs) occurred within the period of performance, resulting in \$47,303 in questioned costs.

According to department management, between October 1 and January 30 of each year, the department reviews all LEA reimbursement requests to determine if the reimbursement request is charged to a grant that ended on September 30 of that year. If so, the department contacts the LEA to determine if the reimbursement request contains any expenditures that occurred after September 30. If expenditures occurred after September 30, the department sends the reimbursement request back to the LEA to remove those expenditures. If the reimbursement request contains no expenditures that occurred after September 30, the department approves the request and processes it for payment. Even though department management stated they had controls in place, we found that the controls were not effective to ensure compliance with the period of performance requirement; as such, the department reimbursed LEAs for costs that did not occur within the authorized period of performance. Per discussion with department management, human error was the cause of the errors noted in this finding.

CRITERIA

According to 2 CFR 200.303,

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

According to 2 CFR 200.403,

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards. . . (h) Cost must be incurred during the approved budget period.

Risk Assessment

We reviewed the department's December 2022 Financial Integrity Act Risk Assessment and determined that management listed the risk of noncompliance with the period of performance. Management identified the review of charges to federal grants as a control to mitigate the risk; however, based on the results of our review, management's review was not effective in mitigating the risks of noncompliance and the resulting questioned costs.

According to the U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book), Principle 7.02, "Identification of Risks,"

Management identifies risks throughout the entity to provide a basis for analyzing risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.

According to Green Book Principle 7.09, "Response to Risks,"

When risk response actions do not enable the entity to operate within the defined risk tolerances, management may need to revise risk responses or reconsider defined risk tolerances. Management may need to conduct periodic risk assessments to evaluate the effectiveness of the risk response actions.

EFFECT

When the department does not have effective internal controls in place to ensure expenditures occurred within the grant's period of performance, management cannot ensure that expenditures are charged to the appropriate grant award. This also increases the risk that funds will be expended outside of the period of performance. The lack of mitigating controls increases the risk of noncompliance with the federal program requirements and may require the state to return these funds to the U.S. Department of Education.

Federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 2 CFR 200.208(c), "Specific conditions,"

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;

- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debarring the agency,
- declining to award additional federal funds, or
- pursuing other available legal remedies.



RECOMMENDATION

Management should develop effective control procedures to ensure that costs reimbursed to local educational agencies occurred during the grant award’s period of performance. In addition, management should carefully evaluate their risk assessments to ensure they include all risks and should implement effective controls to address the risks noted in this finding. Management should update the risk assessment as necessary, assign staff to be responsible for ongoing monitoring of the risks and mitigating controls, and take action if deficiencies occur.

MANAGEMENT’S COMMENT

The department concurs with this finding. The Chief Financial Officer will collaborate with program teams to create sufficient controls for reviewing and approving reimbursement requests to ensure requests are within the period of performance. Management will evaluate the effectiveness of the control activities for this risk and update the department’s annual risk assessment to reflect any new controls management implements. The Chief Financial Officer will create professional development to ensure that staff responsible for reviewing and approving reimbursement requests understand the federal requirements.

Finding Number	2023-009
Assistance Listing Number	84.027
Program Name	Special Education Cluster (IDEA)
Federal Agency	Department of Education
State Agency	Department of Education
Federal Award	
Identification Number	H027A200052, H027A210052, and H027A220052
Federal Award Year	2020 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
84.027	H027A200052	\$64,065
84.027	H027A210052	\$25,561
84.027	H027A220052	\$13,312



FINDING

Department management reimbursed local education agencies and vendors for costs that were unallowable or not adequately supported, resulting in \$102,938 in federal questioned costs

BACKGROUND

The Department of Education (the department) serves as the pass-through entity for the Special Education Cluster,¹⁰ administered by the U.S. Department of Education. The department awards this federal program's funds primarily to subrecipients, commonly known as the local educational agencies (LEAs); it also contracts with vendors.

¹⁰ Pursuant to the federal Individuals with Disabilities Education Act, Special Education Cluster grants ensure that all children with disabilities receive a free, appropriate public education that emphasizes special education and related services designed to meet their unique needs. The grants also ensure that the rights of children with disabilities and their parents are protected; help states, localities, educational service agencies, and federal agencies provide for the education of all children with disabilities; and assess and ensure the effectiveness of efforts to educate children with disabilities.

LEA High-Cost Reimbursement Process

According to the Individuals with Disabilities Act (IDEA), each state can reserve IDEA funds of up to 10% of the amount reserved for other state-level activities to address high-cost services to individuals with disabilities, including transportation to state special schools¹¹ and specialized equipment for students' needs. For fiscal year 2023, the department reserved \$16,148,134 for other state-level activities and \$2,985,177 for high-cost funding.

Throughout the year, LEAs incur expenses in providing special education and related services to high-need students. At the end of each fiscal year, LEAs can submit high-cost reimbursement requests for individual students to the department via ePlan.¹² After LEAs submit high-cost reimbursement requests, an IDEA Grants Management Consultant reviews each request to ensure that all expenses are allowable and adequately supported. The department categorizes high-cost students into three categories:

- Priority 1 – Students who attend a state special school, but their local LEA is responsible for costs related to transporting the student to school.
- Priority 2 – Students who were placed into an LEA by a state agency¹³ for their first academic year and, as a result, were not included on the census and did not generate funds for that LEA.
- Priority 3 – Students who require extensive and costly special education and related services for their LEA to provide a free, appropriate public education. Per federal and state requirements, these students must have eligible high-cost expenses greater than three times the state's average per-pupil expenditures in order to be eligible for reimbursement.

After reviewing each student's request, the IDEA Grants Management Consultant either approves an LEA's reimbursement request for payment or sends the request back to the LEA for correction. If allowable, the department will reimburse LEAs in the fiscal year following the one in which the expenses were incurred. In fiscal year 2023, the department paid out \$4,723,016 in high-cost funding to LEAs for expenses incurred in fiscal year 2022.

IDEA Service Contract Reimbursement Process

According to the Individuals with Disabilities Education Act, the department may use funding reserved under state-level activities to fund resources and initiatives that support the education of students with disabilities. To administer this funding, the department contracts the services of public

¹¹ A state special school is a school managed directly by the state. Some of these schools provide specialized academic instruction to students with specific disabilities. State special schools relevant to IDEA high-cost funding include the Tennessee School for the Deaf, the West Tennessee School for the Deaf, and the Tennessee School for the Blind.

¹² ePlan is the department's grants management system.

¹³ These state agencies include the Tennessee Department of Human Services, the Department of Mental Health and Substance Abuse Services, the Department of Children's Services, and the Department of Health.

and private vendors, which receive IDEA funding as reimbursement for providing services that support special education initiatives.

To receive reimbursement for their services, vendors submit invoices with appropriate documentation of expenditures to their contract manager¹⁴ at the department. During the majority of our audit period, the contract manager initially reviewed the invoice and documentation. After this initial review, the invoice and documentation were given to the Assistant Commissioner of Special Education and Intervention Programs for final review and signature before being sent to accounting staff for processing and payment. If issues are noted at any of the review levels, the invoice is returned to the vendor for corrections. In spring 2023, management revised their review process and included an additional level of review.

CONDITIONS AND CAUSE

The Department Reimbursed Subrecipients From the High-Cost Fund for Unallowable and Unsupported Expenditures

Management's review of LEA reimbursement requests did not prevent various instances of reimbursement for unallowable or inadequately supported expenditures. We tested a nonstatistical, random sample of 6 high-cost reimbursement transactions paid in fiscal year 2023, totaling \$993,113, from a population of 59 high-cost reimbursement transactions, totaling \$4,850,728. We found that for 2 high-cost reimbursements (33%), the LEA was reimbursed in part for inadequately supported or unallowable expenses, resulting in questioned costs of \$57,709. The questioned cost details are as follows:

- \$28,219 for fuel and maintenance costs for student transportation vehicles, in addition to a mileage rate intended to be inherently inclusive of all fuel and maintenance costs, resulting in double payment for those expenditures;
- \$31 for unsupported expenditures; and
- \$29,459 for students with total eligible high-cost expenses that were less than the required threshold of three times the state average per-pupil expenditure.

Management cited multiple factors that led to questioned costs for the high-cost fund. Although the process includes a secondary review, management noted that during our audit period, staffing levels were not sufficient to perform the secondary review. Additionally, because the IDEA Grants Management Consultant who performed the initial high-cost review was out on leave following an injury, the former Elementary and Secondary Education Act Grants Manager was asked to perform the initial high-cost review during our audit and may not have understood all of the requirements. Lastly, management noted that fiscal year 2023 was the first year that the department had used ePlan

¹⁴ Contract managers are department employees who are primarily responsible for a given contract with a vendor. These managers possess specialized knowledge of their vendor's subject matter and serve as the vendor's main point of contact.

to facilitate the high-cost review and reimbursement process. Management stated that this resulted in technical issues that complicated the review.

We performed a walkthrough of management's new review process implemented in fiscal year 2024, and it appears to address the conditions noted in this finding. We will follow up on this finding and evaluate the control's effectiveness in the 2024 Single Audit.

The Department Reimbursed Vendors for Expenditures That Were Not Properly Supported

Management did not ensure that vendors submitted adequate documentation for expenditures invoiced to the department. We tested a nonstatistical, random sample of 17 vendor reimbursements paid in fiscal year 2023, totaling \$1,103,230, from a population of 167 vendor reimbursements, totaling \$10,879,926, and found that for 6 reimbursements (35%), the department and vendors were unable to provide adequate supporting documentation for the full reimbursement amount, resulting in questioned costs of \$45,229.

Following the 2022 Single Audit work, management identified risks related to vendor payments as a result of our audit inquiries. Specifically, management identified the risk that the department would reimburse unsupported expenditures because contract managers may not identify issues with the documentation in their review. To address this risk, in spring 2023, management started providing additional training to contract managers to ensure they knew how to evaluate documentation of expenditures for reimbursement. Additionally, in spring 2023, the Senior Director of Special Education Operations and Oversight began performing a secondary review of all vendor reimbursement requests utilizing IDEA funding before the request goes to the Assistant Commissioner of Special Education and Intervention Programs, who does a final, high-level review before payment. Of the 17 items in our sample, 4 occurred after management revised their process, and we did not note any issues with these 4 reimbursements.

Risk Assessment

We reviewed the department's December 2022 Financial Integrity Act Risk Assessment and determined that management listed the risk of charging unallowable costs to a federal program. Management listed the following controls to mitigate the risk:

- Maintain a library of resources within ePlan for stakeholders and TDOE staff to use, including on allowable uses.
- Regular technical assistance training on internal controls and program rules.
- The [Consolidated Funding Application] undergoes multiple levels of review from the [Federal Programs and Oversight] divisional coordinators to the appropriate program manager.
- Experienced staff familiar with specific grant rules.

- Provide specific technical assistance and written corrective actions to correct the misuse of funds.
- Focus monitoring of systemic and/or egregious misuse of funds by an LEA.
- Require payback for misuse of funds.
- Apply grant conditions to LEAs that misused funds.

Additionally, management listed the risk that costs charged to a federal program are not adequately documented at the subrecipient level. Management listed the following controls to mitigate the risk:

- Maintain a library of resources within ePlan for stakeholders and TDOE staff to use, including on allowable uses.
- Regular technical assistance trainings on internal controls and program rules.
- Annual risk based monitoring for both programmatic and fiscal requirements.
- Provide specific technical assistance and written corrective actions to correct non-compliance.
- Focus monitoring of systemic and/or egregious misuse of funds by an LEA.
- Apply grant conditions to LEAs that had systemic/egregious non-compliance.

We were able to view materials the department made available on allowable uses and documentation requirements for IDEA expenditures. We determined that these resources did assist subrecipients in allocating IDEA funding appropriately; however, based on the results of our review, the resources and other control activities were not sufficient to fully mitigate the risks of noncompliance.

CRITERIA

Allowable Costs Compliance

According to Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 403,

Except for where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards . . .

- (g) Be adequately documented.

According to 34 CFR 300.704(c)(3)(i)(A)(2), the state must develop a plan for the high-cost fund. As part of that plan, the state is required to create a definition of a “high need child” that

ensures that the cost of the high need child with a disability is greater than 3 times the average per pupil expenditure . . . in that State.

According to 2 CFR 200.302(b),

The financial management system of each non-Federal entity must provide for the following . . .

(3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

Additionally, the U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book), Principle 10.03, states,

Effective management of an entity's workforce, its human capital, is essential to achieving results and an important part of internal control. Only when the right personnel for the job are on board and are provided the right training, tools, structure, incentives, and responsibilities is operational success possible. Management continually assesses the knowledge, skills, and ability needs of the entity so that the entity is able to obtain a workforce that has the required knowledge, skills, and abilities to achieve organizational goals. Training is aimed at developing and retaining employee knowledge, skills, and abilities to meet changing organizational needs.

Risk Assessment

According to Green Book Principle 7.09, "Response to Risks,"

When risk response actions do not enable the entity to operate within the defined risk tolerances, management may need to revise risk responses or reconsider defined risk tolerances. Management may need to conduct periodic risk assessments to evaluate the effectiveness of the risk response actions.

According to Green Book Principle 9.03, "Identification of Change,"

Conditions affecting the entity and its environment continually change. Management can anticipate and plan for significant changes by using a forward-looking process for identifying change. Management identifies, on a timely basis, significant changes to internal and external conditions that have already occurred or are expected to occur. Changes in internal conditions include changes to the entity's programs or activities, oversight structure, organizational structure, personnel, and technology. Changes in external conditions include changes in the governmental, economic, technological, legal, regulatory, and physical environments. Identified significant changes are communicated across the entity through established reporting lines to appropriate personnel.

EFFECT

Without an effective internal control system, the department risks paying LEAs or vendors for unallowable or ineligible expenses.

Federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 2 CFR 200.208(c), “Specific conditions,”

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debaring the agency,
- declining to award additional federal funds, or
- pursuing other available legal remedies.

RECOMMENDATION

Management should design, implement, and monitor the effectiveness of internal controls over the high-cost reimbursement process to address the risks noted in this finding. Additionally, management should cross-train employees on the requirements of high-cost reimbursements to ensure a knowledgeable person is available to



perform primary and secondary reviews, regardless of turnover and leave status.

Management should continue to monitor the effectiveness of the service contract reimbursement review process to ensure that all invoices are supported by adequate documentation that fully details the expenditures for which the vendor is seeking reimbursement.

MANAGEMENT'S COMMENT

The department concurs with this finding. The Chief Academic Officer in conjunction with the Chief Operating Officer will oversee a collaborative process led by the Assistant Commissioner of Student Services & Supports and Chief Financial Officer to design, implement, and monitor the effectiveness of internal controls over the high-cost reimbursement process to address the risks noted in this finding. Additionally, the Assistant Commissioner of Student Services will be responsible for cross-training employees on the requirements of high-cost reimbursements to ensure knowledgeable staff are available to perform primary and secondary reviews, regardless of turnover and leave status.

The Office of Academics and the Division of Student Services & Supports should continue to monitor the effectiveness of the service contract reimbursement review process to ensure that all invoices are supported by adequate documentation that fully details the expenditures for which the vendor is seeking reimbursement.

Finding Number	2023-010
Assistance Listing Number	84.027 and 84.173
Program Name	Special Education Cluster (IDEA)
Federal Agency	Department of Education
State Agency	Department of Education
Federal Award Identification Number	H027A200052, H027A220052, and H173A200095
Federal Award Year	2020 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Period of Performance
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
84.027	H027A200052	\$4,730
84.027	H027A220052	\$1,500
84.173	H173A200095	\$7,743



FINDING

Department of Education management incurred expenditures, liquidated funds, and reimbursed local educational agencies for expenditures that occurred outside of the Special Education grants' periods of performance

BACKGROUND AND CRITERIA

The Individuals with Disabilities Education Act (IDEA) is a federal program to assist states in providing children with disabilities a free, appropriate public education. Federal funding for IDEA is only available to the Department of Education (department) and its subrecipients for a limited time (referred to as the grant's period of performance).¹⁵ Each year, the department receives a grant award notification from the U.S. Department of Education outlining the IDEA award amount and the period of performance (budget period).¹⁶ The department has 15 months to charge expenditures to

¹⁵ According to 2 CFR 200.1, "Period of performance means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods."

¹⁶ According to 2 CFR 200.1, "Budget period means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward. . . ."

each grant award; however, IDEA is governed by the requirements of the Tydings Amendment (Title 20, *United States Code*, Chapter 31, Section 1225[b]), which extends the period of performance 12 additional months, for a total of 27 months. According to Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 344, the department must liquidate all financial obligations incurred under the federal award within 120 days of the end of the period of performance.

According to 2 CFR 200.403,

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards . . . (h) Cost must be incurred during the approved budget period.

CONDITION

We obtained the population of expenditures charged to the IDEA grants for fiscal year ended June 30, 2023. We performed analytical procedures on the expenditures, comparing the accounting dates to the grant’s period of performance to determine if the expenditures were within each grant’s period of performance. Based on our initial analysis, we noted the following.

Table 1
Period of Performance Details

Grant Number	Period of Performance Begin Date	Period of Performance End Date	Liquidation End Date
H027A200052	July 1, 2020	September 30, 2022	January 28, 2023
H173A200095	July 1, 2020	September 30, 2022	January 28, 2023

Expenditures Obligated After Period of Performance

We identified 233 expenditure transactions totaling \$5,111,341 that were charged to IDEA grant awards H173A200095 and H027A200052 that, based on the accounting date, were obligated after the grants’ period of performance. We further tested a nonstatistical, random sample of 25 expenditure transactions from the 233 transactions, totaling \$430,967, to determine if the transactions were obligated within the period of performance. Based on a review of supporting documentation, we found that for 16 of 25 expenditure transactions tested (64%), management reimbursed local educational agencies (LEAs) and paid administrative expenses that were obligated after the grants’ period of performance, resulting in \$12,377 of known questioned costs and likely questioned costs of \$96,986.

Expenditure Obligated and Liquidated Outside of Grant’s Period of Performance

Based on our initial analysis and inquiry with management, we identified one transaction charged to IDEA grant award H027A200052 for which management had both obligated and liquidated the

expenditure transaction outside of the period of performance and approved liquidation date, resulting in \$96 in questioned costs. The expenditure was obligated and liquidated in May 2023.

Unsupported Adjusting Entry

Based on our initial analysis, we identified 8,350 adjusting entry expenditure transactions totaling \$14,086,520 that were charged to the IDEA grants during fiscal year 2023. We tested a nonstatistical, random sample of 40 adjusting entry expenditure transactions, totaling \$3,659,863 to determine if the original expenditure transaction was obligated within the grants’ period of performance.

Based on testwork, we found that for 1 of 40 adjusting entries tested (3%), management did not provide documentation of the original expenditure; therefore, we could not determine if the original expenditure occurred within the grant’s period of performance. As a result, we questioned \$1,500 for the unsupported expenditure transaction charged to grant award H027A220052, and likely questioned costs totaled \$5,773.

Summary of Questioned Costs

Table 2
Summary of Questioned Costs

Error	Grant	Known Questioned Costs	Likely Questioned Costs
Expenditures Obligated After Period of Performance	H173A200095	\$7,743	\$96,986
	H027A200052	\$4,634	
Expenditure Obligated and Liquidated Outside of Grant’s Period of Performance	H027A200052	\$96	\$96
Unsupported Adjusting Entry	H027A220052	\$1,500	\$5,773
Total		\$13,973	\$102,855

Risk Assessment and Internal Control Criteria

We reviewed the department’s December 2022 Financial Integrity Act Risk Assessment and determined that management listed the risk of noncompliance with period of performance. Management identified the review of charges to federal grants as a control to mitigate the risk; however, based on the results of our review, the review was not effective in mitigating the risks of noncompliance and resulting questioned costs.

According to 2 CFR 200.303,

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

According to the U.S. Government Accountability Office’s *Standards for Internal Control in the Federal Government* (Green Book), Principle 7.02, “Identification of Risks,”

Management identifies risks throughout the entity to provide a basis for analyzing risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.

According to Green Book Principle 7.09, “Response to Risks,”

When risk response actions do not enable the entity to operate within the defined risk tolerances, management may need to revise risk responses or reconsider defined risk tolerances. Management may need to conduct periodic risk assessments to evaluate the effectiveness of the risk response actions.

CAUSE

Management stated that program and fiscal staff are responsible for reviewing and approving expenditures, including invoices, accounting data, and any other supporting documentation in Edison, the state’s accounting system, to ensure that the expenditures were obligated and liquidated within the period of performance before approving the expenditures for payment. According to department management, between October 1 and January 30 of each year, the department reviews all LEA reimbursement requests to determine if they are charged to a grant that ended on September 30 of that year. If so, the department contacts the LEA to determine if the reimbursement request contains any expenditures that were incurred after September 30. If there are expenditures incurred after September 30, the department sends the reimbursement request back to the LEA to remove those expenditures. If the reimbursement request contains no expenditures that were incurred after September 30, the department approves the request and processes it for payment. Even though the department management stated they had review procedures in place, we found that the control was not effective in ensuring compliance with the period of performance requirement, and as such, the department paid for expenditures and reimbursed local educational agencies for costs that were not incurred within the authorized period of performance. Per discussion with department management, human error was the cause of the errors noted in this finding. We also identified staff’s inexperience with program requirements due to staff turnover at the department as a potential cause for the human errors management noted.

EFFECT

When the department does not have adequate internal controls in place to ensure expenditures occurred within the grant's period of performance, management cannot ensure that expenditures are charged to the appropriate grant award and increases the risk that funds will be expended outside of the period of performance. The lack of mitigating controls increases the risk of noncompliance with the federal program requirements and may require the state to return these funds to the U.S. Department of Education.

Federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award.

According to 2 CFR 200.208(c), "Specific conditions,"

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, "Remedies for noncompliance," outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debaring the agency,
- declining to award additional federal funds, or
- pursuing other available legal remedies.



RECOMMENDATION

Management should design and implement effective control activities to ensure before they reimburse local educational agencies that the agencies incurred the costs during the grant award's period of performance. In addition, management should carefully evaluate their risk assessments to ensure they include all risks and should implement effective controls to address the risks noted in this finding.

Management should update the risk assessment as necessary, assign staff to be responsible for ongoing monitoring of the risks and mitigating controls, and take action if deficiencies occur.

MANAGEMENT'S COMMENT

The department concurs with this finding. The Chief Financial Officer will collaborate with program teams to create sufficient controls for reviewing and approving reimbursement requests to ensure requests are within the period of performance. Management will evaluate the effectiveness of the control activities for this risk and update the department's annual risk assessment to reflect any new controls management implements. The Chief Financial Officer will create professional development to ensure that staff responsible for reviewing and approving reimbursement requests understand the federal requirements.

Finding Number	2023-011
Assistance Listing Number	84.048
Program Name	Career and Technical Education – Basic Grants to States
Federal Agency	Department of Education
State Agency	Department of Education
Federal Award	
Identification Number	V048A210042 and V048A220042
Federal Award Year	2021 through 2023
Finding Type	Material Weakness and Noncompliance
Compliance Requirement	Matching, Level of Effort, Earmarking
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

Department of Education management did not have effective internal controls over matching, maintenance of effort, and earmarking requirements and, due to turnover and poor records management, could not provide evidence of compliance

BACKGROUND AND COMPLIANCE CRITERIA

The U.S. Department of Education (ED) provides federal grant funds through the Carl D. Perkins Career and Technical Education (CTE) Act of 2006, which was reauthorized and amended by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V). Perkins V provides grants to states to develop the academic knowledge and technical and employability skills of secondary students and postsecondary students. The Tennessee Department of Education (the department) is the pass-through entity for Perkins funds and disburses those funds to local education agencies (LEAs) within the state and the Tennessee Board of Regents.

As a recipient of federal funding, the department is subject to federal matching, level of effort – maintenance of effort (MOE), and earmarking requirements.¹⁷ These requirements mandate that the department maintain its fiscal effort from state appropriations for CTE when compared with the preceding years; for example, the department must allocate state resources in fiscal year 2023 that meet

¹⁷ Federal matching, level of effort, and earmarking requirements for this award are found in Title 20, *United States Code*, Sections 2391 and 2322.

or exceed the allocated state resources for fiscal year 2022. The department must also allocate CTE funds received for specific activities in keeping with the following requirements:

- not less than 85 percent to *Secondary and Postsecondary Career and Technical Education Programs*;
- not more than 10 percent to *State Leadership Activities*; and
- not more than 5 percent or \$250,000, whichever is greater, to *State Administration*.

In addition, the department is required to match federal funds reserved for *State Administration* with non-federal funds, such as state appropriations, on a dollar-for-dollar basis.

Annually, ED requires Perkins recipients to submit financial and performance data via the Consolidated Annual Report (CAR). The CAR contains CTE programmatic and financial information and includes the department's demonstrated compliance with maintenance of effort requirements. Department staff complete the CAR in December using the two most recent fiscal years' financial data—for example, the CAR submitted in December 2022 included data from state fiscal years 2021 and 2022.

CONDITION AND CAUSE

Insufficient Internal Controls and Lack of Evidence of Compliance

Department management has not developed and implemented policies and procedures to ensure that matching, MOE, and earmarking requirements are met. Management also did not ensure that the former Grants Manager carried out procedures to confirm the department's compliance with these requirements and did not maintain key documentation as evidence of compliance. There was significant turnover in the department's staff, and, without documented policies and procedures, management was unable to locate and provide documentation related to supporting calculations that demonstrated the department's compliance with these requirements.

Due to the condition above, we noted the following:

Maintenance of Effort

According to department management, the former Grants Manager calculated the CTE MOE amounts reported in the CAR for state fiscal year 2023. Due to the employee's separation and poor records management, department management was unable to locate and provide supporting documentation for adjustments and the final amounts reported in the CAR. We attempted to verify the amounts reported in the CAR, but without sufficient support for those calculations, including adjustments, we were unable to independently verify that the reported MOE numbers were accurate; therefore, we were unable to determine if the department met MOE compliance requirements.

Additionally, although management stated they reviewed the calculation at the time it was completed, there was no evidence of the review.

Earmarking

According to department management, the former Grants Manager accidentally overwrote key earmarking documentation for fiscal year 2023 when working on calculations related to the fiscal year 2024 award. Staff were able to recreate the documentation, and the department complied with earmarking requirements; however, staff were unable to provide the documentation that was originally used to calculate the figures. While management stated they reviewed the calculation, there was no evidence of this review.

Matching

Because of the department's lack of policies and procedures and due to the former Grants Manager's separation, management was not able to describe the process the former Grants Manager used for determining compliance with matching requirements during the audit period. Additionally, because management did not have adequate records management processes in place to ensure continued access to the former Grants Manager's documentation, department management was unable to provide us with any documentary evidence of the department's compliance with matching requirements. As a result, we were unable to perform any procedures to independently verify if the department met matching compliance requirements.

Current Risk Assessment and Internal Control Criteria

Because of the issues we identified, we reviewed the department's December 2022 Financial Integrity Act Risk Assessment. The department's risk assessment for CTE states that the risk of the loss of institutional knowledge due to turnover and resulting potential understaffing is mitigated in part by process documentation, including templates, timelines, and historical records; however, based on our work, we found that this control was not operating effectively.

Management also identified the risk of noncompliance with federal program regulations and requirements. The controls listed to mitigate this risk include training, assignment of responsibility for each grant to a Grants Manager, and "procedures in place to appropriately monitor and document all grant and subgrant activities"; however, this control activity was not operating effectively.

Without having appropriate risk responses to identify, analyze, and respond to changes, management fails to mitigate the risk and increases the likelihood of error and noncompliance.

According to "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," Title 2, *Code of Federal Regulations*, Part 200, Section 303, the non-federal entity must establish and maintain effective internal controls over the federal award that provide reasonable assurance that the entity is managing the award in compliance with federal statutes, regulations, and the terms and conditions of the award. The entity must also evaluate and monitor its compliance with

statutes, regulations, and the terms and conditions. In addition, Part 200, Section 508, explains that the auditee must provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this part.

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*, Principle 10.03, "Design of Appropriate Types of Control Activities," states,

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. . . . Documentation and records are properly managed and maintained.

Also, Principle 12.03, "Documentation of Responsibilities through Policies," states,

Management documents in policies for each unit its responsibility for an operational process's objectives and related risks, and control activity design, implementation, and operating effectiveness. . . .

Additionally, Principle 12.04, "Documentation of Responsibilities through Policies," states,

. . . Management communicates to personnel the policies and procedures so that personnel can implement the control activities for their assigned responsibilities.

EFFECT

Without appropriate internal controls over matching, MOE, and earmarking requirements, there is a risk that department staff will not comply with all related federal requirements and potentially miscalculate the state's matching, MOE, and earmarking amounts. If a miscalculation results in the state's noncompliance, the department risks a reduction of federal funding for CTE activities in subsequent award years, which may impact the department's ability to provide services to students at Tennessee's schools.

RECOMMENDATION

The Commissioner should work with appropriate program and fiscal staff to design and implement sufficient controls for matching, MOE, and earmarking compliance requirements, which includes developing and documenting key processes to ensure ongoing compliance during periods of high turnover. Management should also ensure that the agency maintains supporting documentation, including documentation of review activities, to monitor ongoing compliance. Management

should evaluate the effectiveness of the control activities for the risks identified in this finding and update the department's annual risk assessment to reflect any new controls management implements.

MANAGEMENT'S COMMENT

The department concurs with this finding. The Assistant Commissioner of CCTE and the Chief Financial Officer will collaborate to create sufficient controls for the calculation of MOE, including a complete supervisory review of their MOE calculations to ensure compliance. Management will evaluate the effectiveness of the control activities for this risk and update the department's annual risk assessment to reflect any new controls management implements. Internal controls will be developed to ensure that staff responsible for performing and reviewing federal award calculations are aware of current federal requirements. The department's Office of Finance will serve as a secondary internal check before MOE is submitted.

Further, the Chief Operations Officer, Chief Information Officer, and Director of Human Resources will create a process to ensure documents are maintained and are not tied to a specific employee's hardware, including but not limited to data stored on a physical storage device.

Finding Number	2023-012
Assistance Listing Number	84.048
Program Name	Career and Technical Education – Basic Grants to States
Federal Agency	Department of Education
State Agency	Department of Education
Federal Award Identification Number	V048A180042 and V048A200042
Federal Award Year	2018 through 2022
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Period of Performance
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
84.048	V048A180042	\$1,619,984
84.048	V048A200042	\$1,322



FINDING

The Department of Education management paid for administrative expenditures that occurred outside of the Career and Technical Education program’s period of performance

BACKGROUND

The U.S. Department of Education provides federal grant funds through the Carl D. Perkins Career and Technical Education (CTE) Act of 2006, which was reauthorized and amended by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V). Perkins V provides grants to states to develop the academic knowledge, technical skills, and employment readiness skills of secondary students and postsecondary students. The Tennessee Department of Education (the department) is the pass-through entity for CTE-Perkins funds and disburses those funds to local education agencies within the state and the Tennessee Board of Regents.¹⁸ Federal funding for CTE is only available to the department and its subrecipients for a limited time (referred

¹⁸ The Tennessee Board of Regents awards CTE funds to eligible community colleges and colleges of applied technology to meet the program objectives for postsecondary students.

to as the grant’s period of performance.)¹⁹ Each year, the department receives a grant award notification from the U.S. Department of Education outlining the CTE award amount and the period of performance (budget period.)²⁰ The department has 15 months to charge expenditures to each grant award based on the budget period; however, CTE is governed by the requirements of the Tydings Amendment (Title 20, *United States Code*, Chapter 31, Section 1225[b]), which extends the period of performance 12 additional months, for a total of 27 months. According to 2 CFR 200.344, the department must liquidate all financial obligations incurred under the federal award within 120 days of the end of the period of performance.

CONDITION AND CAUSE

Period of Performance

We obtained a population of 10,843 expenditures charged to the CTE grants for the fiscal year ended June 30, 2023. We analyzed the expenditures, comparing the accounting dates to the grant’s period of performance to determine if the expenditures were within each grant’s period of performance. See **Table 1**.

Table 1
Period of Performance Details

Grant Number	Period of Performance Begin Date	Period of Performance End Date	Liquidation End Date
V048A180042	July 1, 2018	September 30, 2020	January 28, 2021
V048A200042	July 1, 2020	September 30, 2022	January 28, 2023

Based on our initial analysis, we found 17 expenditure transactions charged to CTE grant award V048A180042 that were outside the grant’s period of performance. We reviewed the supporting documentation for each transaction and determined that for all 17 transactions, department fiscal staff paid for expenditures that were obligated and liquidated outside the grant’s period of performance, resulting in \$1,619,984 in federal questioned costs.

In addition, based on our initial analysis, we found 259 travel expenditure transactions, totaling \$17,317, that were charged to grant award V048A200042 outside the grant’s period of performance. We tested a nonstatistical, random sample of 25 expenditure transactions, totaling \$1,322, from the population to determine if the costs were obligated and liquidated during the grant’s period of performance. Based on our testwork, we found that for 25 of 25 expenditure transactions tested

¹⁹ According to Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 1, “Period of performance means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods.”

²⁰ According to 2 CFR 200.1, “Budget period means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward.”

(100%), management reimbursed for travel expenses that were outside of the grant's period of performance, resulting in \$1,322 in known questioned costs and \$17,317 in likely questioned costs.

Management stated that program and fiscal staff are responsible for reviewing and approving expenditures, including invoices, accounting data, and any other supporting documentation in Edison, the state's accounting system, to ensure that the expenditures were obligated and liquidated within the period of performance before approving the expenditures for payment. Even though department management stated they had controls in place, we found that the review controls were not effective to ensure compliance with the period of performance requirements. As such, the department paid for expenditures that did not occur within the authorized period of performance. Per our discussion with department management, human error caused the errors noted in this finding. We also identified staff turnover, and resulting inexperience with program requirements, as a potential cause for the human errors that management noted.

Risk Assessment

We reviewed the department's December 2022 Financial Integrity Act Risk Assessment and determined that management listed the risk of noncompliance with period of performance. Management identified the review of charges to federal grants as a control to mitigate the risk; however, based on the results of our review, this review was not effective in mitigating the risks of noncompliance and resulting questioned costs.

CRITERIA

Period of Performance

According to 2 CFR 200.303,

The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

According to 2 CFR 200.403,

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards. . . (h) Cost must be incurred during the approved budget period.

Risk Assessment

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies. According to the Green Book, Principle 7.02, "Identification of Risks,"

Management identifies risks throughout the entity to provide a basis for analyzing risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.

According to Green Book Principle 7.09, "Response to Risks,"

When risk response actions do not enable the entity to operate within the defined risk tolerances, management may need to revise risk responses or reconsider defined risk tolerances. Management may need to conduct periodic risk assessments to evaluate the effectiveness of the risk response actions.

EFFECT

When the department does not have adequate internal controls in place to ensure expenditures occurred within the grant's period of performance, management cannot ensure that expenditures will be charged to the appropriate grant award, which increases the risk that funds will be expended outside of the period of performance. The lack of mitigating controls increases the risk of noncompliance with the federal program requirements and may require the state to return these funds to the U.S. Department of Education.

Federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 2 CFR 200.208 (c), "Specific conditions,"

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debaring the agency,
- declining to award additional federal funds, or
- pursuing other available legal remedies.



RECOMMENDATION

Management should develop adequate control procedures to ensure that expenditures occurred during the grant award’s period of performance. In addition, management should carefully evaluate their risk assessments to ensure they include all risks and should implement effective controls to address the risks noted in this finding. Management should update the risk assessment as necessary, assign staff to be responsible for ongoing monitoring of the risks and mitigating controls, and take action if deficiencies occur.

MANAGEMENT’S COMMENT

The department concurs with this finding. The Chief Financial Officer will collaborate with program teams to create sufficient controls for reviewing and approving reimbursement requests to ensure requests are within the period of performance. Management will evaluate the effectiveness of the control activities for this risk and update the department’s annual risk assessment to reflect any new controls management implements. The Chief Financial Officer will create professional development to ensure that staff responsible for reviewing and approving reimbursement requests understand the federal requirements.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF HUMAN SERVICES

Finding 2023-013: For three federal programs, Department of Human Services management obligated expenditures outside the period of performance

Finding 2023-014: The Department of Human Services management did not follow their established process to ensure expenditures complied with Child Care and Development Fund program requirements, resulting in \$91,199 in federal and state questioned costs

Finding Number	2023-013
Assistance Listing Number	84.126, 93.575, and 93.667
Program Name	Rehabilitation Services Vocational Rehabilitation Grants to States Child Care and Development Fund (CCDF) Cluster Social Services Block Grant
Federal Agency	Department of Education Department of Health and Human Services
State Agency	Department of Human Services
Federal Award Identification Number	H126A230063, 2301TNCCDD, and 2301TNSOSR
Federal Award Year	2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Period of Performance
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
84.126	H126A230063	\$5,601
93.575	2301TNCCDD	\$291,339
93.667	2301TNSOSR	\$33,651

FINDING

For three federal programs, Department of Human Services management obligated expenditures outside the period of performance

BACKGROUND

Federal funding for the Department of Human Services' (the department) federal programs is only available to the department for a limited time (referred to as the grant's period of performance). Each year, the department receives grant award notifications from federal agencies, such as the U.S. Department of Health and Human Services and the U.S. Department of Education, which outline the federal grant award amount and the period of performance. The department administers its grants using the federal fiscal year, which is from October 1 through September 30.²¹

²¹ Our audit period is from July 1, 2022, through June 30, 2023.

Child Care and Development Fund

The Child Care and Development Fund (CCDF) is a federal program that provides childcare subsidies to low-income families to allow parents to work or attend educational or training programs. The program also promotes overall childcare quality for all children. As of July 18, 2023, the department received \$214,056,377 in grant funds for award number 2301TNCCDD,²² which had a period of performance beginning October 1, 2022.

Social Services Block Grant

The Social Services Block Grant (SSBG) provides funds to states to help families, individuals, or groups of individuals achieve or maintain economic self-sufficiency; prevent or remedy the neglect, abuse, or exploitation of children and adults who cannot protect their own interests; preserve, rehabilitate, and reunite families; and provide community- or home-based care, other forms of intensive care, or when necessary, assist with institutional care. As of June 30, 2023, the department received \$33,727,138 in SSBG grant funds for award number 2301TNSOSR,²³ which had a period of performance beginning October 1, 2022.

Rehabilitation Services Vocational Rehabilitation Grants to States

The Rehabilitation Services Vocational Rehabilitation Grants to States (VR) program assists states with operating a comprehensive, statewide program to provide services that help individuals with disabilities prepare for and engage in gainful employment. During fiscal year ended June 30, 2023, the department received a \$62,120,561 grant, award number H126A230063, which had a period of performance beginning October 1, 2022.

Edison Projects

When a new grant is received, the department's fiscal staff establishes the grant in Edison, the state's accounting system, with corresponding project IDs, which identify the federal grant program and grant funding period. Project IDs are used to track expenditures by grant program.

Department's Expenditure Approval Process

Department programs are responsible for reviewing and approving program expenditures, including the invoices, accounting data, and any other supporting documentation, to ensure the expenditures are accurate and allowable under the federal program. To complete the process, fiscal staff process payments with related supporting documentation through Edison, verifying the service date (the date the expenditure was incurred).

Fiscal Management's Process to Ensure Period of Performance Compliance

Fiscal management meets quarterly with program management to discuss the federal requirements and review period of performance as fiscal staff complete federal reporting requirements. In the meetings,

²² This is a three-year grant and will end on September 30, 2025.

²³ This is a two-year grant and will end on September 30, 2024.

fiscal and program management discuss whether the department is complying with all federal requirements, including period of performance, relative to the beginning and end of the grant period. When preparing federal reports, fiscal staff initiate an Edison query, called the General Ledger Expenditure query, to evaluate expenditures for period of performance compliance. Staff analyze the query’s data and enter the data into the required federal report.

CONDITION, CRITERIA, AND CAUSE

To determine if fiscal management properly recorded federal program expenditures during the grant’s period of performance, we analyzed all expenditures charged to the 2023 federal fiscal year CCDF, SSBG, and VR grants from October 1, 2022, through June 30, 2023 (see **Table 1**).

Table 1
Total Expenditures Charged to 2023 Federal Grants by Program
From October 1, 2022, Through June 30, 2023

Program	Total Amount
CCDF	\$157,104,285
SSBG	\$8,632,745
VR	\$46,133,556

Based on our analysis of expenditures charged to the 2023 CCDF, SSBG, and VR grants, we determined that the key control to ensure that management complied with each grant’s period of performance requirement was not sufficient to prevent the department from charging expenditures obligated outside of a grant’s period of performance.

Results of Analysis

Based on our expenditure analysis, which included the service date, we found that the department’s fiscal staff charged expenditures to the 2023 CCDF, SSBG, and VR grants that were actually incurred before October 1, 2022, the start date for each grant’s period of performance; therefore, these expenditures should have been charged to earlier grants. See **Table 2**.

Table 2
Expenditures Obligated Outside of the Period of Performance

Program	Questioned Costs
CCDF	\$291,339
SSBG	\$33,651
VR	\$5,601

Source: Applicable grant award letters and Edison, the state’s accounting system.

Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 1, defines period of performance as “the total estimated time interval between the start of an initial Federal award and the planned end date.”

According to federal regulations, the department may charge costs related to the federal grant award if the expenditure was obligated during the grant awards' period of performance.²⁴

According to the Fiscal Director, management agreed with the errors noted and stated that the Edison General Ledger Expenditure query, which management uses to monitor period of performance compliance, was not sufficient because it does not include the service date. To correct this issue in the future, the Fiscal Director stated that fiscal services will reconcile the General Ledger Expenditure query to another Edison query—the Edison Federal Project query—which includes the expenditures' service date, at least monthly for the first quarter of each federal fiscal year and quarterly after that, as part of their monitoring process. During fieldwork, we verified that fiscal management had corrected the errors noted in **Table 2**.

Risk Assessment

In the department's 2022 Financial Integrity Act risk assessment, the department identified the risk of expenditures being charged to grants that are outside the period of performance and identified three controls to mitigate the risk:

1. Fiscal staff review of items charged to federal grant projects;
2. Fiscal management review of trends in actual results period over period; and
3. Close projects to procurement and accounts payable.

However, based on the results of our review, the controls in place did not identify the condition noted in this finding.

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies. According to Green Book Principle 7, "Identify, Analyze, and Respond to Risks,"

7.09 . . . When risk response actions do not enable the entity to operate within the defined risk tolerances, management may need to revise risk responses or reconsider defined risk tolerances. Management may need to conduct periodic risk assessments to evaluate the effectiveness of the risk response actions.

EFFECT

When the department does not have sufficient internal controls in place to ensure expenditures occur within the grant's period of performance, management cannot ensure that expenditures are charged

²⁴ The requirements set forth in 45 CFR 75.309(a) apply to CCDF and SSBG. 2 CFR 200.211, which applies to VR, requires federal awarding agencies to provide the period of performance start and end date in their grant award notifications.

to the appropriate grant award, and the department increases the risk that funds will be expended outside of the period of performance in violation of federal requirements. The lack of sufficient mitigating controls increases the risk of noncompliance with the federal program requirements and may require the state to return these funds to the federal granting agency.

Additionally, federal regulations address actions that the U.S. Department of Health and Human Services (HHS) may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 45 CFR 75.207(b),²⁵ “Specific award conditions,”

These additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance;
or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 45 CFR 75.371,²⁶ “Remedies for noncompliance,” outlines additional actions HHS may take. Depending on the circumstances, these actions may include

- withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the award,
- initiating suspension or debarment,
- withholding awards, or
- pursuing other legal remedies.

²⁵ For non-HHS programs, language comparable to 45 CFR 75.207(b) can be found in 2 CFR 200.208(c).

²⁶ For non-HHS programs, language comparable to 45 CFR 75.371 can be found in 2 CFR 200.339.



RECOMMENDATION

The department's fiscal management should actively monitor the most recent corrective action they put in place to address the condition noted in this finding to ensure expenditures are charged to the correct federal grant awards. If management identifies expenditures charged to the wrong grant awards, management should take immediate action to correct the errors.

MANAGEMENT'S COMMENT

We Concur.

The Department of Finance and Administration, which staffs the Department of Human Services accounting office, monitors the Department of Human Services' period of performance compliance requirements. Unfortunately, the Edison query used to perform the review only included the accounting date, not the service date. Once discovered, fiscal management immediately corrected the monitoring deficiency by reconciling two Edison queries to capture both the accounting and service dates. Correcting journals were posted and verified by the auditors during their field work.

The Department's 2024 Financial Integrity Act risk assessment has been updated to include this review process as a control performed during our month-end close process.

Finding Number	2023-014
Assistance Listing Number	93.575 and 93.596
Program Name	Child Care and Development Fund (CCDF) Cluster
Federal Agency	Department of Health and Human Services
State Agency	Department of Human Services
Federal Award	
Identification Number	2201TNCCDM, 2301TNCCDD, and 2301TNCCDF
Federal Award Year	2021 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Allowable Costs/Cost Principles
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs		
Assistance Listing Number	Federal Award Identification Number	Amount
93.575	2301TNCCDD	\$22,489
93.596	2201TNCCDM	\$17,114
93.596	2301TNCCDF	\$32,563

FINDING



The Department of Human Services management did not follow their established process to ensure expenditures complied with Child Care and Development Fund program requirements, resulting in \$91,199 in federal and state questioned costs

BACKGROUND

The Tennessee Department of Human Services (the department) administers the Child Care and Development Fund (CCDF), a federal program that provides subsidies for child care. CCDF funds the state's Child Care Certificate Program, which helps Families First²⁷ participants, parents transitioning from the Families First program, teen parents, and other individuals obtain child care. To participate in the Child Care Certificate Program, children must be declared eligible by department staff or, for children in foster care or protective services, by Department of Children's Services staff. Guardians receiving assistance through the Child Care Certificate Program may enroll their children in any child care provider of their choice. In order to receive payments for child care services through

²⁷ The federal Temporary Assistance for Needy Families program.

the Child Care Certificate Program, the department maintains a contract with each provider that includes payment terms and the program's requirements.

Child Care Assistance Payments

To receive payment for services, child care providers must submit Enrollment Attendance Verification (EAV) forms electronically through the department's Provider Portal. An EAV form is the provider's record of each child's attendance at the child care facility. The department pays providers weekly. The department also pays providers the full cost of a child's care when the child is absent as long as the child has not been absent for more than 20 consecutive days. Once the child exceeds the absence allowance, department management continues paying the provider while they follow up with the child's family to determine whether the child should be disenrolled from the provider's care.

Child Care Assistance EAV Review

During our scope period, department staff relied on a manual EAV review process from July through March and changed to an automated EAV review process starting in April. Beginning in April 2022, providers submit attendance information and EAVs every Friday in the Provider Portal. The EAVs are then electronically transferred to NextGen, the department's system of record for child care assistance payments, where the attendance information is analyzed for discrepancies. Child Care staff run an EAV report in NextGen that is used to create an EAV exception report.

EAV Exception Review Prior to January 2023 (Manual Process)

The EAV exception report shows what the provider reported for child care attendance and notes any providers with discrepancies between attendance information and payments for the child, such as if a child has been absent for more than 20 consecutive days but the provider still received payment. Once the EAV exception report is created, department management upload it into a shared Google document, which regional supervisors use to contact the child's guardian and/or provider within 7 days after the child's 20th day absent.

If the regional employee receives no response from both the provider and guardian, then the regional employee manually disenrolls the child from the provider in the Tennessee Child Care Management System (TCCMS), the child care assistance eligibility system. When a child is disenrolled, the provider can no longer claim the child on an EAV.

EAV Exception Review After January 2023 (Automated Process)

In January 2023, management implemented an automated follow-up process. If the provider and guardian consent to receive electronic communications, TCCMS sends an automated notification to the provider and guardian at the 24- and 48-hour mark after the child reaches 20 consecutive absences. Beginning in April 2023, TCCMS automatically disenrolls the child and transfers the disenrollment to NextGen to prevent the provider from claiming the child on an EAV.

If the provider or guardian did not consent to receive electronic communications, or the child is eligible through Families First or the Department of Children's Services, department staff must manually follow up with the provider and guardian.

EAV Payment Process

When providers submit EAV forms, NextGen processes them for accuracy and then transmits correct EAV invoices to Edison, the state's accounting system, to process the payments. If the EAV has an error, NextGen places the EAV in pending or special handling status. An account technician reviews it in NextGen and works with program management and the provider to make corrections. NextGen then reprocesses the EAV and sends it to Edison for payment.

CONDITION AND CAUSE

From a population of 183,540 expenditure transactions, totaling \$161,010,079, charged to the CCDF program for child care assistance, we selected a sample of 60 providers that the department paid a total of \$20,669,599 for child care assistance for the fiscal year to determine if the department complied with the CCDF program requirements. Based on our review of all 60 providers' weekly EAVs for the fiscal year, we found that the department overpaid child care assistance to 11 of the 60 providers for 34 children who were absent for more than 20 consecutive days. These overpayment errors occurred for providers under the department's manual EAV review process. We did not find any issues involving provider payments that were subject to EAVs processed through the department's automated EAV review process. As a result of our review and the errors noted, we identified a total of \$91,199 in federal and state questioned costs (\$72,166 in federal questioned costs and \$19,033 in state matching funds).

Based on our discussion with the department's Director of Compliance, although management had a control in place to prevent overpayments, the high number of EAV exceptions impeded management's implementation of the control. With the implementation of the automated process in April, the Compliance Director believes this will no longer be an issue. We will examine the automated EAV review process during the next audit.

CRITERIA

According to Title 45, *Code of Federal Regulations*, Part 98, Section 21(a),

A Lead Agency shall re-determine a child's eligibility for child care services no sooner than 12 months following the initial determination or most recent redetermination, subject to the following . . .

- (5) Notwithstanding paragraph (a)(1), the Lead Agency may discontinue assistance prior to the next re-determination in limited circumstances where there have been:

- (i) Excessive unexplained absences despite multiple attempts by the Lead Agency or designated entity to contact the family and provider, including prior notification of possible discontinuation of assistance;

(A) If the Lead Agency chooses this option, it shall define the number of unexplained absences that shall be considered excessive.

The *Child Care and Development Fund (CCDF) Plan for Tennessee*, which applies to federal fiscal years 2022 through 2024, states,

Absences would not impact payment for a given child unless the child was absent for more than 20 days in a row. After an absence of 20 consecutive days, the Lead Agency would reach out to the family to confirm that the child was not returning to care before stopping the payments to the provider.

EFFECT

When department management and staff do not ensure internal controls are implemented and operating as intended, management increases the risk of continuing to pay child care providers for children who are no longer attending. They also increase the risk of errors, fraud, waste, and abuse.

Additionally, federal regulations address actions that the U.S. Department of Health and Human Services (HHS) may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 45 CFR 75.207(b), “Specific award conditions,”

These additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance;
or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 45 CFR 75.371, “Remedies for noncompliance,” outlines additional actions HHS may take. Depending on the circumstances, these actions may include

- withholding payments until the noncompliance has been corrected,

- denying the use of funds,
- partly or fully suspending or terminating the award,
- initiating suspension or debarment,
- withholding awards, or
- pursuing other legal remedies.



RECOMMENDATION

Department management should ensure that the internal controls related to the new automated EAV exception review process are effective to timely identify and address children with 20 consecutive absences. Management should seek other alternatives to address high volumes of system exceptions when necessary.

Finally, management should implement effective controls to address the risks noted in this finding, update the risk assessment as necessary, obtain documentation for deficiencies noted, and seek to recover any funds paid out on behalf of children who were ineligible for the program. As part of this process, management should assign staff to continually monitor risks and assess mitigating controls.

MANAGEMENT'S COMMENT

We concur.

The Department concurs with the finding that management did not follow their established process to manage extended absences, resulting in federal and state questioned costs.

Since April 2023, absences over twenty consecutive days have moved to an automated process. The Department will continue with the automated process to ensure extended absences and child enrollments are managed properly. The NextGen System sends EAV exception files on all weekdays to TCCMS. If the file has one of the exceptions for 20 days consecutive absences, TCCMS will send the first notice to the parent/guardian on the day it is received for the child, then sends a 2nd notice, and after 48 hours terminates the child's enrollment with the provider, so long as the parent did not contact the Child Care Specialist. The timeframe for this process related to twenty consecutive days absences is established by Tennessee's program policies and is not federally mandated.

The Department is reviewing each child on the excessive absences report from the audit to determine the overpayment amount and has started the process to recoup payment.

The Department's 2024 Financial Integrity Act risk assessment will be updated to include establishing and strengthening internal controls for risks identified in the finding.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Finding 2023-015: Adult Education management did not obtain and review subrecipients' single audits to ensure programmatic monitoring requirements were met

Finding 2023-016: For the third year in a row, the Workforce Services Division management did not ensure that program staff performed required programmatic subrecipient monitoring

Finding 2023-017: As noted in the four prior single audits, the Department of Labor and Workforce Development paid Unemployment Insurance benefits to ineligible claimants due to ineffective internal controls

Finding Number	2023-015
CFDA Number	84.002
Program Name	Adult Education – Basic Grants to States
Federal Agency	Department of Education
State Agency	Department of Labor and Workforce Development
Federal Award Identification Number	V002A200043, V002A210043, and V002A220043
Federal Award Year	2021 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Subrecipient Monitoring
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

Adult Education management did not obtain and review subrecipients’ single audits to ensure programmatic monitoring requirements were met

BACKGROUND

The Adult Education – Basic Grants to States program administered by the Division of Adult Education (the division) within the Department of Labor and Workforce Development (the department) provides grants to 14 eligible agencies (subrecipients) to provide adult education and literacy services. These grants help adults become literate and obtain the knowledge and skills necessary for employment, obtain the educational skills necessary to become full partners in the educational development of their children, and complete secondary school education.

Federal grantors and the state’s Central Procurement Office (CPO)²⁸ require agencies that distribute grant funds to monitor the grantees’ activities as necessary to ensure they use grant funds for authorized purposes in compliance with federal and state statutes, regulations, and any applicable terms and conditions. State regulations also require the department to provide sufficient oversight of their subrecipients to ensure they are complying with all grant funding requirements.

To ensure state agencies comply with both federal and state monitoring requirements for grantees, CPO Policy 2013-007, “Grant Management and Subrecipient Monitoring Policy and Procedures,”

²⁸ CPO is administratively attached to the state’s Department of General Services and is responsible for the state’s procurement and contracting processes, for which CPO circulates guidance and additional resources to the state’s various entities.

established guidelines for grantor state agencies. The policy requires each state agency to develop and submit the annual monitoring plan to CPO for review by October 1 of each year. The monitoring plan is a summary of the grantor state agency's planned monitoring activities for the upcoming annual monitoring cycle. The plan must include all awards of state and federal funds and non-cash assistance, and the agency must also evaluate each grantee's risk of noncompliance based on the following factors:

- the grantee's prior grant experience;
- the results of prior audits and federal monitoring, including single audits; and
- new personnel or new or significantly modified information systems.

The department's responsibility for monitoring includes both program and fiscal activities. For the Adult Education program, division staff are responsible for monitoring the subrecipients' programmatic activities, and the department's Performance Accountability Review (PAR) Unit staff are responsible for monitoring fiscal-related activities. During our audit we found that division staff and PAR staff completed subrecipient monitoring of each subrecipient; however, the division's subrecipient monitoring did not include reviewing the subrecipient's single audit.

CRITERIA, CONDITION, AND CAUSE

As the pass-through entity, the department is required by 2 CFR 200.332 to verify that all subrecipients that spend \$750,000 or more in federal, state, and/or federal/state combined obtain a single audit within nine months after the subrecipient's fiscal year-end. When the subrecipient's single audit includes audit findings, the department must issue a management decision within six months of the audit report's release, indicate if the subrecipient agreed with the finding, and describe any corrective action the subrecipient must take.

To obtain an understanding of management's subrecipient monitoring procedures, we met with management, and based on our discussions, we determined that for fiscal year ended June 30, 2023, management did not

- obtain and review subrecipients' single audit reports and issue management decisions on findings as required by 2 CFR 200.332, and
- assess subrecipients' single audits as part of their risk-based monitoring plan in accordance with CPO Policy 2013-007.

While the PAR unit did obtain and review subrecipients' single audit reports for those subrecipients that were monitored through fiscal-related activities, according to the division's Assistant Commissioner, no one was assigned the responsibility for reviewing the subrecipients' single audits for the programmatic activities or issuing management decisions.

As of October 31, 2023, the division has designated a new point of contact for receiving single audit reports. The new point of contact will work with the Adult Education program to develop a process to obtain and review the single audit reports for programmatic requirements.

Risk Assessment

We reviewed the department's 2022 Financial Integrity Act Risk Assessment and noted that management identified risks associated with the failure to review subrecipient single audit reports, but management failed to implement controls to mitigate these risks. Green Book Principle 7.09 states that management may conduct periodic risk assessments to evaluate the effectiveness of their actions to address the risk. When necessary, management should update their mitigating controls based on those periodic risk assessments if the effectiveness of their internal control is no longer valid or insufficient.

EFFECT

When programmatic program management does not obtain and review subrecipients' single audit results as required by federal regulations and state policy, management increases the risk that it will not promptly identify subrecipients' noncompliance and/or control deficiencies that require subrecipients' corrective action. Additionally, failure of the programmatic monitors to review the single audits reduces the effectiveness of management's risk assessments for each subrecipient, increasing the risk that a higher-risk subrecipient is not identified and monitored.



RECOMMENDATION

The Commissioner should ensure that programmatic program personnel are aware of all required monitoring responsibilities, including reviewing subrecipients' single audit reports, issuing management decisions, and obtaining subrecipients' corrective action plans when necessary.

Management should implement effective controls to address the risks noted in this finding, update the risk assessment as necessary, and take action if deficiencies occur. As part of this process, management should assign staff to continually monitor risks and assess mitigating controls.

MANAGEMENT'S COMMENT

We concur.

We have assigned our administrator over grants and budgets to begin receiving subrecipients' single audit reports and to involve our Adult Education management in reviewing audit findings and issuing management decisions, when applicable. We have revised our subrecipient risk assessment to include single audits as one of the risk factors. In addition, we have developed standard operating procedures concerning receiving and reviewing subrecipient audit reports. Management has added this SOP to the department's internal risk assessment. Also, management will monitor the procedures to ensure that the process is functioning properly.

Finding Number	2023-016
Assistance Listing Number	17.258, 17.259, and 17.278
Program Name	Workforce Innovation and Opportunity Act (WIOA) Cluster
Federal Agency	Department of Labor
State Agency	Department of Labor and Workforce Development
Federal Award Identification Number	23A55AY000009, AA-28344-16-55-A-47, AA-30740-17-55-A-47, AA-32192-18-55-A-47, AA-33257-19-55-A-47, AA-34796-20-55-A-47, AA-36347-21-55-A-47, and AA-38557-22-55-A-47
Federal Award Year	2017 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Subrecipient Monitoring
Repeat Finding	2022-005
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

For the third year in a row, the Workforce Services Division management did not ensure that program staff performed required programmatic subrecipient monitoring

BACKGROUND

The Workforce Innovation and Opportunity Act (WIOA) cluster of federal programs helps participants overcome barriers to obtaining employment by providing education, training, job search, and other support services. The WIOA cluster consists of three core programs: Adult, Dislocated Worker, and Youth. The U.S. Department of Labor (USDOL) awards funding for these programs through formula grants to states. In Tennessee, the Workforce Services Division (the division) within the Tennessee Department of Labor and Workforce Development (the department) administers WIOA programs.

American Job Centers

The WIOA cluster of programs provides employment services to individuals through a network of American Job Centers (job centers).²⁹ Individuals may visit a job center to determine whether they are eligible to receive services and, if so, obtain free employment assistance. The division awards grants to

²⁹ The Workforce Investment Act of 1998 established One-Stop centers, which were physical locations where individuals may visit and determine if they are eligible for employment assistance from a variety of federal programs. When WIOA repealed and replaced the Workforce Investment Act, it changed the name of One-Stop centers to American Job Centers.

nine subrecipients, known as Local Workforce Development Boards (development boards),³⁰ to oversee the job centers in their Local Workforce Development Area (local area). Each development board serves multiple counties, contracts with a One-Stop Operator to manage the operations of the job centers, and appoints a Fiscal Agent who is responsible for the accounting and finances for the job centers.

For fiscal year 2023, the department’s expenditures for the WIOA Cluster totaled \$43,639,761. The expenditures for each program are outlined in **Table 1**.

Table 1
WIOA Cluster Expenditures by Program

Program/Assistance Listing #	FY23 Expenditures	Percentage of Cluster
Adult/17.258	\$14,316,753	33%
Youth/17.259	\$11,866,499	27%
Dislocated Workers/17.278	\$17,456,509	40%

Source: Auditor obtained from Expenditure Data received from Edison, the state’s accounting system.

Monitoring Requirements

Federal grantors and the state’s Central Procurement Office (CPO)³¹ require agencies that distribute grant funds to monitor grantees’ activities as necessary to ensure they use grant funds for authorized purposes in compliance with federal and state statutes, regulations, and any applicable terms and conditions. State regulations require the department to provide sufficient oversight of their subrecipients to ensure they are complying with all grant funding requirements. Specifically, Title 29, *United States Code*, Chapter 32, Section 3244(a)(4), “Monitoring,” states, “Each Governor of a State shall conduct on an annual basis onsite monitoring of each local area within the State to ensure compliance with the uniform administrative requirements.”

For the WIOA cluster of programs, the department divides its responsibility for monitoring between program and fiscal activities (discussed next). Workforce Services Division staff are responsible for monitoring the subrecipients’ programmatic activities, and the department’s Program Accountability Review (PAR) Unit staff are responsible for monitoring fiscal-related activities.

Quarterly Desktop Program Monitoring

Division staff perform programmatic monitoring through two methods: quarterly desktop reviews and annual on-site reviews. Desktop reviews include reviewing participant eligibility determinations, which are used to support the required annual on-site reviews. Division staff document monitoring review results and instances of noncompliance by generating quarterly monitoring reports that detail

³⁰ According to 20 CFR 679.300, the Local Workforce Development Board “is to serve as a strategic leader and convener of local workforce development system stakeholders.”

³¹ CPO, administratively attached to the state’s Department of General Services, is responsible for the state’s procurement and contracting processes and provides guidance and additional resources to the state’s entities.

any identified issues classified as either a finding, observation, or concern. After the division's Program Integrity Unit (PIU) reviews the quarterly reports, division staff send the reports to the subrecipients to notify them of the deficiencies and to set expectations for corrective action. Subrecipients communicate with PIU staff to follow up on findings identified in their quarterly monitoring reports and submit corrective action plans for the identified deficiencies.

Joint Annual On-site Monitoring Reviews

Program On-site Monitoring Activities

During the annual joint on-site visit, the division staff follow a checklist to ensure that each job center has all required items available. These items include Equal Opportunity posters, Comptroller fraud hotline posters, and Adult Education posters. Additionally, the PIU monitors observe job center staff performing the daily processes, and then the monitors document the effectiveness of the center's operation on the monitoring checklist.

Fiscal On-site Monitoring Activities

PAR Unit staff are responsible for monitoring fiscal-related activities. For example, PAR staff review the allowability of the expenditures included in the subrecipients' fund reimbursement requests. PAR compiles a list of expenditures for each subrecipient to be monitored to select a random sample to test during the visit. Because it can take time to obtain the documentation, management notifies the subrecipient of the sample expenditures selected and encourages the subrecipient to provide the information before the on-site visit.

Once the PIU and the PAR Unit have completed the annual on-site review, the results of the review are combined into a monitoring report for each subrecipient. The annual monitoring reports are approved by the Program Integrity Director and then issued to the subrecipients. All corrective action follow-ups are performed by the division's PIU staff.

PRIOR AUDIT RESULTS

Our prior audit reported a finding related to the WIOA subrecipient monitoring, which included the following conditions:

- division staff did not conduct on-site programmatic monitoring of subrecipients for the Adult, Youth, or Dislocated Worker programs;
- division staff did not conduct any desktop programmatic reviews during three quarters and only conducted a desktop programmatic review for one of nine subrecipients in quarter 4 for the Adult, Youth, or Dislocated Worker programs; and
- division staff did not follow the ETA's *Core Monitoring Guide* for all reviews and as such did not adequately monitor relevant program requirements such as participant eligibility.

Management concurred with the prior finding and stated the development board's single audit reports will be reviewed by September 2023, and a review will occur from both a programmatic and fiscal perspective. Management also stated the development boards will be notified of any need for corrective action, and Internal Audit will be notified of actions taken by the division and the department's Finance and Administration staff.

Management also noted in their six-month follow-up on the finding that subrecipient monitoring would be conducted through desktop file reviews and annual on-site reviews.

CURRENT AUDIT RESULTS

As part of our current audit and based on discussions with management and our review of current policies and procedures, we determined that the department developed a tracking system to document when subrecipient single audit reports were received and reviewed. Additionally, we determined that management implemented programmatic monitoring procedures to ensure subrecipients were monitored based on federal and state compliance requirements; however, we still identified the following monitoring deficiencies.

CONDITION, CRITERIA, AND CAUSE

Management Failed to Develop Controls to Ensure Documentation for Monitoring Was Maintained

According to management, during the scope of our audit, PIU monitors were able to complete annual on-site reviews³² for three subrecipients; however, PIU staff did not maintain monitoring working papers for these reviews. Therefore, we were not able to determine whether these on-site reviews occurred and/or whether the monitoring reviews were adequate. Additionally, management stated that PIU monitors did quarterly desktop programmatic monitoring for all nine subrecipients. Once again, management was not able to provide monitoring working papers for the desktop programmatic review, so we were not able to determine whether the monitoring occurred or that the monitoring activities were adequate. See Monitoring Requirements section above for specific monitoring criteria.

According to division management, the on-site programmatic monitoring was documented manually on paper copies; however, these copies could not be located and were never uploaded into the system because management had not developed a process to collect and upload these documents into the department's shared network. We did note that the PAR Unit did have working papers for fiscal monitoring of all nine subrecipients.

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) offers guidance to management for developing internal controls and maintaining

³² The other six subrecipients' annual on-site monitoring reviews were ongoing during our audit.

documentation. Principle 10, “Design Control Activities,” 10.03, “Design of appropriate types of control activities,” establishes,

Management designs appropriate types of control activities for the entity’s internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system.

Principle 10 further describes in “Appropriate documentation of transactions and internal control,”

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

Management Failed to Develop Controls to Ensure Subrecipients Submitted Corrective Action Plans and That the Department’s Program Monitors Issued Corrective Action Resolution Letters

According to management, the PIU monitors are responsible for ensuring subrecipients take corrective action for all findings identified in the subrecipient monitoring reports, both program and fiscal. Based on our audit work, management could not provide us with corrective action plans or management’s resolution letters for two of three subrecipients (66%) that had findings as part of their on-site and quarterly monitoring results.

Title 29, *United States Code*, Chapter 32, Section 3244(a)(5), states that when a state determines a local area is not in compliance, the state must require corrective action to ensure the local area is in compliance.

Division management stated that specific staff within the PIU conduct corrective action follow-ups for both on-site and desktop reviews. We found, however, that staff did not have a process in place for documenting and tracking subrecipient follow-ups. Management noted that, moving forward, a tracking tool has been created that will document all monitoring efforts, including both annual on-site and quarterly desktop reviews. The new tracking method will also enable the Workforce Services Division to keep track of deficiencies noted during monitoring and will alert staff when corrective actions are due. Additionally, management is in the process of finalizing the Standard Operating Procedure for the quarterly monitoring to establish a uniform approach in distinguishing findings, concerns, and observations.

Risk Assessment

We reviewed the department’s 2022 Financial Integrity Act Risk Assessment and noted that the program management did not identify any risks related to subrecipient monitoring for programmatic activities and, as such, did not design and implement effective controls. Green Book Principle 7, “Identify, Analyze, and Respond to Risks,” 7.02, “Identification of Risks” states, “Management identifies risks throughout the entity to provide a basis for analyzing risks. Risk assessment is the

identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.”

EFFECT

When program management does not maintain appropriate and sufficient monitoring documentation, it increases the risk that management may be unaware of deficiencies identified at the subrecipient level and may not ensure that each subrecipient’s management takes action to correct any noncompliance or areas for improvement identified in the subrecipient monitoring reports.



RECOMMENDATION

The Commissioner should ensure the Workforce Services Division develops adequate procedures to maintain subrecipient monitoring documentation, including working papers.

MANAGEMENT’S COMMENT

We concur.

Prior findings indicated a lack of on-site and virtual monitoring of Workforce Services programs. Those findings have been resolved as monitoring both on-site and virtual have been and are being conducted. However, due to a lack of work paper management, proof of all reviews was not able to be demonstrated. To resolve this finding, accountability controls have been put in place to allow management to track progress on monitoring conducted and to ensure work papers are maintained. Standard Operating Procedures, effective January 1, 2024, have been developed for both on-site monitoring and case file (i.e., desktop) reviews which include instructions on where we are currently saving working papers. Tracker spreadsheets, effective January 1, 2024, have been developed to track every step in the monitoring process including the submission of reviews conducted by each program. Virtual tools, effective January 1, 2024, have been revised to allow for ease of use and submission upon completion of reviews. Monitoring training was conducted in January 2024 with program units by Program Integrity to ensure new processes are understood and expectations are clearly defined. An Assistant Director position has been hired, effective January 28, 2024, to oversee the monitoring team. This will add a level of management needed to ensure the organization of all divisional monitoring is being conducted, communicated, and tracked.

The Workforce Services Risk Assessment has been updated to include a high inherent risk of subrecipient monitoring to include controls to mitigate that risk. The controls to mitigate this risk will be monitored quarterly by reports submitted to Workforce Services management. These reports will show progress on monitoring to include supporting work papers.

Finding Number	2023-017
Assistance Listing Number	17.225
Program Name	Unemployment Insurance
Federal Agency	Department of Labor
State Agency	Department of Labor and Workforce Development
Federal Award Identification Number	CARES Act
Federal Award Year	2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Eligibility
Repeat Finding	2022-006
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Description	Amount
17.225	CARES Act	Mixed Earner Unemployment Compensation Pandemic Unemployment Assistance	\$9,110 \$100



FINDING

As noted in the four prior single audits, the Department of Labor and Workforce Development paid Unemployment Insurance benefits to ineligible claimants due to ineffective internal controls

BACKGROUND

The Unemployment Insurance (UI) program is a federal-state partnership designed to ensure the economic security of workers who lose their jobs through no fault of their own. The U.S. Department of Labor provides grant funding for each state to design and administer its own UI program within federal requirements. In Tennessee, the Department of Labor and Workforce Development (the department) operates the state's UI program to process claims and issue direct benefit payments to individuals during times of involuntary unemployment.

Pandemic Programs

On top of its regular³³ and temporary disaster relief programs, the department implemented four programs, listed below, to provide relief in response to the COVID-19 pandemic. The federal government reimburses the department for 100% of the benefits it pays to pandemic program claimants.

Pandemic Unemployment Assistance

From January 27, 2020, through July 3, 2021, the Pandemic Unemployment Assistance (Pandemic) program provided temporary benefits to workers who had exhausted or were ineligible for regular Unemployment Insurance (such as part-time workers, the self-employed, and contractors) who lost work for certain COVID-19-related reasons.

Pandemic Emergency Unemployment Compensation

Pandemic Emergency Unemployment Compensation provided a maximum of 53 additional weeks of benefits to individuals who had exhausted their rights to regular Unemployment Insurance for weeks of unemployment through July 3, 2021.

Federal Pandemic Unemployment Compensation

Federal Pandemic Unemployment Compensation provided a supplemental weekly payment to individuals who received at least \$1 in benefits from another UI subprogram. The weekly supplement was \$600 (in addition to the claimant's other benefits) for weeks of unemployment ending April 4, 2020, through July 25, 2020, and \$300 for weeks of unemployment ending January 2, 2021, through July 3, 2021.

Mixed Earner Unemployment Compensation

Mixed Earner Unemployment Compensation (Mixed Earner) provided a supplemental weekly payment of \$100 to individuals receiving benefits other than Pandemic Unemployment Assistance. Their prior earnings had to have included both wages from traditional employment and at least \$5,000 from self-employment.

Under federal law, all four pandemic programs expired on September 6, 2021. Governor Bill Lee opted to terminate Tennessee's participation in these programs early, effective July 3, 2021. Throughout fiscal year 2023, the department followed federal guidance by continuing to process and pay backlogged benefits to eligible pandemic claimants for weeks of unemployment ending on or before the program's termination date.

³³ Regular programs include Tennessee Unemployment Compensation (TUC), Unemployment Compensation for Ex-Servicemembers (UCX), Unemployment Compensation for Ex-Federal Employees (UCFE), and Trade Adjustment Assistance (TAA).

General Eligibility Criteria and Determination Processes for Unemployment Claims

The department uses the Geographic Solutions Unemployment System (GUS) application to process eligibility determinations for unemployment claims. Claimants submit an initial application for unemployment benefits in the system via the jobs4tn.gov website, which interfaces directly with GUS. GUS initiates various automated processes to help the department determine the claimant's eligibility for benefits. If these processes yield information that could potentially disqualify a claimant's eligibility, GUS flags the claim with an issue and attaches a work item. The work item triggers department personnel to review and resolve the issue on the claim manually. Management has configured business rules³⁴ in GUS to prevent claims with significant issues from paying benefits until department personnel have reviewed the claims to determine the claimants' eligibility.

Weekly Certifications

After filing an initial claim for benefits, claimants must file weekly certifications via jobs4tn.gov to attest to their continued ability to work and availability for work, disclose income earned during the week, and report on work search activities. GUS automatically disqualifies the week as ineligible for payments if a claimant certifies no longer being unemployed, earning excess income, or not actively searching for and available to accept suitable work.

PRIOR AUDIT RESULTS

Our prior audit reported a finding, with multiple deficiencies, related to UI eligibility. Management concurred with the prior finding and attributed the conditions to the impact of the COVID-19 pandemic on claims volume and system issues. See **Table 1** for a list of finding conditions identified in our prior audit and their disposition in the current audit.

Table 1
Prior Audit Finding Conditions and Disposition

Prior Audit Finding Condition	Disposition in Current Audit
Claimants received Pandemic benefits without providing evidence of past employment, and the department did not adjust weekly benefit amounts to reflect claimants' past earnings.	Corrected
Claimants received Mixed Earner benefits without providing evidence of past earnings from self-employment.	Repeated
Department personnel did not manually review and approve claims for Tennessee benefits to ensure claimants lost their jobs through no fault of their own.	Corrected

³⁴ Business rules are instructions programmed into GUS directing the system how to process claims in accordance with state and federal eligibility requirements.

CURRENT AUDIT RESULTS

We provide the results of our current audit below. As a result of our review, we identified \$9,210 in federal questioned costs for the Mixed Earner and Pandemic programs. In addition, we identified \$798 in state questioned costs for improper benefits paid from the unemployment trust fund to ineligible Tennessee claimants.

For major programs such as the UI program, Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 516(a)(3), “Audit findings,” requires us to report known and likely questioned costs greater than \$25,000 for a type of compliance requirement for a major program. While cumulative known questioned costs for all errors did not exceed \$25,000, we determined that likely questioned costs exceeded \$25,000.

CONDITIONS, CRITERIA, AND CAUSE

Claimants Received Mixed Earner Benefits Without Providing Evidence of Past Earnings From Self-Employment (Repeat Condition)

The U.S. Department of Labor issued operating guidance for the Mixed Earner program in Unemployment Insurance Program Letter No. 15-20, Change 3, which states,

Individuals who apply for MEUC [the Mixed Earner program] are required to submit documentation substantiating their self-employment income for purposes of the state determining their eligibility for MEUC. . . . Individuals may submit this documentation at any time while the MEUC program is in effect. . . . However, until the individual provides the documentation and the state can determine that it substantiates that the amount of self-employment income meets MEUC eligibility requirements, MEUC payments may not begin.

The federal guidance further established that claimants should provide a copy of their income tax return for the most recently completed tax year prior to application for regular unemployment benefits. Acceptable documentation also includes pay stubs, bank receipts, business records, accounting ledgers, invoices, and billing statements that substantiate self-employment income of at least \$5,000 for the most recent tax year.

As noted in our prior audit findings related to UI eligibility, department management did not design and implement internal controls, including controls integrated in its information systems, that ensured compliance with federal regulations. The existing control structure did not address the risks associated with the number, timing, nature, complexity, and volume of applicants for the federal programs that the department oversees. Specifically, the internal control structure was not designed to manage the number of temporary programs implemented due to the pandemic and natural disasters, in addition to changes in federal guidance for regular programs. While pandemic programs expired in the first week of fiscal year 2022, department management was challenged with continuing to process and pay backlogged claims throughout the year.

We obtained the population of 30 claimants who received a total of 264 Mixed Earner payments, totaling \$26,310, that the department issued in fiscal year 2023. We tested all 30 claimants for compliance with Mixed Earner eligibility requirements. Based on our testwork, the department issued Mixed Earner benefits without verifying evidence of self-employment earnings for 16 of 30 (53%) claimants tested. We identified a total of \$9,110 in known federal questioned costs for improper Mixed Earner payments.

Department Staff Paid Unemployment Insurance to a Claimant Who Had Not Contacted Three Separate Employers (New Condition)

From the population of 608,685 regular, Pandemic, Trade Adjustment Act, Ex-Federal, and Ex-Service payments, totaling \$148,557,672, that the department issued in fiscal year 2023, we selected a proportional sample of 75 benefit payments, to determine compliance with non-monetary eligibility requirements. In general, non-monetary eligibility requires the department to establish that a claimant has lost their most recent employment due to no fault of their own. See **Table 2** for our testwork.

Table 2
Non-monetary Program Benefit Payment Testwork Breakdown

	Number of Benefit Payments		Dollar Amount of Benefit Payments	
	Population	Sample	Population	Sample
TUC*	594,815	60	\$145,934,336	\$15,064
Pandemic	6,542	5	1,019,712	1,717
TAA	3,249	5	535,082	956
UCFE/UCX	4,079	5	1,068,542	1,375
Total	608,685	75	\$148,557,672	\$19,112

*TUC is only state dollars; therefore, it is not included in any projection of likely questioned costs.

Based on our review, we found for 1 claimant, the department issued benefits totaling \$100 when the claimant had used the same 3 job contacts for 5 weeks over the period covered by the claim. This is not allowed under Section 50-7-302(a)(4), *Tennessee Code Annotated*, and thus results in federal questioned costs.

According to management, even though the system should have prevented the payment, management had to assess and respond to the risk of providing benefits to ineligible claimants against the risk of not providing timely benefits to eligible claimants. To help control the volume of new and continuing claims for benefits, management relied on GUS tools designed to reduce manual claims handling. Management stated that these tools, however, did not always work as intended and resulted in unintentionally issuing benefits to ineligible claimants. These tools also did not address the root cause of system incidents, so management encountered recurring problems in GUS that the vendor had previously told management were fixed.

EFFECT

Without internal control processes designed to address and adapt to periods of high unemployment, the department increases the risk of improper payments to ineligible claimants. By not ensuring the vendor identifies and takes corrective action to fix claims processing errors within GUS, department management increases the risk of information systems controls not operating as designed or achieving the desired result.

Additionally, federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 2 CFR 200.208(c), “Specific conditions,”

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debaring the agency,
- declining to award additional federal funds, or
- pursuing other available legal remedies.



RECOMMENDATION

The Commissioner of Labor and Workforce Development should work with UI program management to implement internal controls to mitigate the risks of improperly paying ineligible claimants. Management should review the exceptions we identified and, when appropriate, disqualify ineligible claimants and work to recover improper payments.

MANAGEMENT'S COMMENT

We concur.

The department acknowledges that management and the vendor could not design and implement timely internal controls, due to the need to adjudicate pandemic claims quickly while ensuring compliance with all the federal pandemic programs. Regular Tennessee Unemployment Compensation controls could not encompass new federal programs never administered by State Unemployment Insurance within the compliance timeline. However, during and even after the pandemic, the department continued to work through its historic claim load and adjudicate pandemic-related claims as accurately and as timely as possible. The department worked with our vendor to ensure as much integrity as possible during these times. All efforts to alleviate recurring system problems and adjudicate the volume of claims filed during the pandemic were the priority of the division; however, these factors combined led to agency errors.

The Assistant Administrator monitors MEUC payments through the daily payment register with a specific line item for MEUC payments.

Excerpt of daily email received:

There were no claimants with "Stimulus-MEUC" for today.

In each case examined by the Comptroller's Office, the claimant stated they earned \$5,000 in self-employment in the prior calendar year. Once the claim was reviewed by staff and proof was not submitted by the claimant, staff denied the MEUC payments, and the claimant was advised of the potential overpayment of benefits of MEUC payments.

Management gave claims staff a reference guide to resolving mixed earnings unemployment compensation.

Staff was advised they must adjudicate these issues with a determination. The ones that paid in error were incorrectly resolved by staff. Usually, this would be acceptable as erroneous issues are resolved this way, but due to the complexity of this issue it did not resolve in that manner, equating to an approval for MEUC. To prevent payment on MEUC, the non-monetary issue must be denied with a determination.

The department worked diligently to correct issues as they arose. The UI program continues to monitor and address risks of improperly paying claimants regardless of the program. Eight claimants received erroneous MEUC payments in 2022, eight in 2023, and only three of those sixteen claimants received MEUC payments after the single audit report was received in 2023. As stated in the finding, the MEUC overpayments did not reach the 25,000-dollar threshold. Minimizing the overpayments was due to the department's efforts to reduce the payment errors made on this program.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

TENNESSEE HOUSING DEVELOPMENT AGENCY

Finding 2023-018: The Tennessee Housing Development Agency did not have adequate internal controls to ensure subrecipients obtained a unique entity identifier before the agency awarded federal funds

Finding 2023-019: Tennessee Housing Development Agency management did not have effective internal controls over reporting for the Low-Income Home Energy Assistance Program

Finding 2023-020: Agency management did not establish a key process to ensure that internal controls related to the vendor-hosted THO application were appropriately designed and operating effectively

Finding Number	2023-018
Assistance Listing Number	93.568
Program Name	Low-Income Home Energy Assistance
Federal Agency	Department of Health and Human Services
State Agency	Tennessee Housing Development Agency
Federal Award	
Identification Number	2202TNLIEA and 2102TNE5C6
Federal Award Year	2021 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Reporting
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

The Tennessee Housing Development Agency did not have adequate internal controls to ensure subrecipients obtained a unique entity identifier before the agency awarded federal funds

BACKGROUND

The U.S. Department of Health and Human Services provides grant funding under the Low-Income Home Energy Assistance Program (LIHEAP) to the Tennessee Housing Development Agency (the agency). The objective of LIHEAP is to help low-income households meet the costs of home energy, increase their energy self-sufficiency, and reduce their vulnerability resulting from energy needs. The agency makes subawards to subrecipients to fulfill the objectives of LIHEAP.

CONDITION, CRITERIA, AND CAUSE

Management did not have adequate internal controls to prevent the agency from making subawards to subrecipients without obtaining the subrecipients' unique entity identifier (UEI). As a result, 15 of 19 (79%) LIHEAP subrecipients were not eligible to receive federal funds. Title 2, *Code of Federal Regulations* (CFR), Part 25, Section 300, states that "a recipient may not make a subaward to a subrecipient unless that subrecipient has obtained and provided to the recipient a unique entity identifier." Management stated they incorrectly made the subawards because they were not aware of this requirement. In addition, the Federal Award ID sheet, which is part of the contract template, had a spot for the Data Universal Numbering System (DUNS) number, rather than the UEI.

Because the agency obtained the UEI from each subrecipient after the audit period, we did not question the costs the agency paid to the subrecipients during the year.

EFFECT

Because the agency made unauthorized payments to subrecipients without a UEI, management was unable to comply with Federal Funding Accountability and Transparency Act requirements to report subrecipient information. The Act's subaward reporting system requires a UEI in the subrecipient information. See Finding 2023-019.

Federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 2 CFR 200.208(c), "Specific conditions,"

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance;
or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, "Remedies for noncompliance," outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debaring the agency,
- withholding further awards for the project or program, or
- pursuing other available legal remedies.

Granting subawards to subrecipients who have not obtained a UEI could result in questioned costs.



RECOMMENDATION

Management should develop procedures to ensure that all subrecipients have obtained a UEI before the agency makes a subaward.

Management should also update the Federal Award ID sheet to include the UEI.

MANAGEMENT'S COMMENT

We concur. As noted in the report, THDA has collected all of the UEI numbers associated with LIHEAP grantees. Because THDA contracts with the same entities annually to administer LIHEAP, this issue is resolved. However, THDA is updating its applications associated with all other federal grant programs to obtain the UEI number at time of application. Program staff will also transmit the UEI numbers to THDA's accounting team at time of funding the award. Additionally, should a LIHEAP grantee change in future years, THDA will ensure collection of the information prior to entering into the grant award for LIHEAP funds.

Finding Number	2023-019
Assistance Listing Number	93.568
Program Name	Low-Income Home Energy Assistance
Federal Agency	Department of Health and Human Services
State Agency	Tennessee Housing Development Agency
Federal Award	
Identification Number	2202TNLIEA and 2102TNE5C6
Federal Award Year	2021 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Reporting
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

Tennessee Housing Development Agency management did not have effective internal controls over reporting for the Low-Income Home Energy Assistance Program

BACKGROUND

The U.S. Department of Health and Human Services (HHS) provides grant funding through the Low-Income Home Energy Assistance Program (LIHEAP) to the Tennessee Housing Development Agency (the agency). The objective of LIHEAP is to help low-income households meet the costs of home energy, increase their energy self-sufficiency, and reduce their vulnerability resulting from energy needs. As a condition of the grant, HHS requires the agency to report on the use of federal funds through financial, performance, and special reports. In addition to federal requirements in the *Code of Federal Regulations*, the HHS Office of Administration for Children and Families, Office of Community Services (OCS), provides guidance to LIHEAP recipients by issuing Action Transmittals.

CONDITION, CRITERIA, AND CAUSE

The agency did not have adequate internal controls to ensure it provided the federal grantor (HHS) with timely or accurate reports. In addition, management was unable to provide the underlying documentation to support all amounts reported. Management was unable to determine why reports were submitted late or contained errors since the former program director left before we identified the errors.

Special Reporting

LIHEAP Carryover and Reallotment Report

According to Title 45, *Code of Federal Regulations* (CFR), Part 96, Section 81(b), “Each grantee must submit a [carryover and reallotment] report to [HHS] by August 1 of each year.” The OCS LIHEAP Action Transmittal 2022-05 extended the deadline to submit the report to December 30, 2022.

We reviewed the 2022 LIHEAP Carryover and Reallotment Report to ensure management submitted the report timely and reported key line items accurately. We noted that management submitted the report 90 days after the due date.

Annual Report on Households Assisted by LIHEAP

According to 45 CFR 96.82(a), the agency is required to submit to HHS the Annual Report on Households Assisted by LIHEAP “for the 12-month period corresponding to the Federal fiscal year (October 1–September 30) preceding the fiscal year for which funds are requested. The data shall be reported separately for LIHEAP heating, cooling, crisis, and weatherization assistance.”

Per the OCS LIHEAP Action Transmittal 2023-01, the final data for the Annual Report on Households Assisted by LIHEAP was due on December 30, 2022.

We reviewed the 2022 Annual Report on Households Assisted by LIHEAP to ensure management submitted the report timely and reported key line items accurately. We noted that management submitted the report 90 days late. We also noted errors for 14 key line items. In addition, management could not provide support for the number of households reported on the Weatherization Line in Section IV. Management stated that the Energy Housing Program Manager responsible for the report left in September 2023, and management no longer has access to the files she used to prepare the report.

Table 1
Summary of Annual Report on Households Assisted by LIHEAP Testwork Results

Report Line Description	Over- (Under-)reported Households Assisted
Section I	
Heating (CARES)	9
Heating (Supplemental)	(1,842)
Cooling (Supplemental)	(364)
Winter (Supplemental)	(1,191)
Summer (Supplemental)	(92)
Weatherization	(25)
Any Type of LIHEAP Assistance (Supplemental)	(3,489)
Section IV	
Heating	(4,460)

Heating (Supplemental)	(1,851)
Cooling (Supplemental)	(365)
Winter	(38)
Winter (ARPA)	(23)
Winter (Supplemental)	(1,198)
Summer (Supplemental)	(92)
Weatherization	*Unknown as support was not available

Quarterly Performance and Management Report

LIHEAP Action Transmittal 2022-03 Quarterly Report Instructions Attachment 1 requires grant recipients to submit data and information about LIHEAP through the Quarterly Performance and Management Reports. The quarterly reports “focus on assisted households, performance management, obligation of funding, changes made due to anticipated increase in energy bills, collaboration with other utility assistance programs, and training and technical assistance needs.”

We reviewed the 2022 Quarterly Performance and Management Report for the fourth quarter of the fiscal year to ensure management submitted the report timely and reported key line items accurately. We noted errors for four key line items on the report.

**Table 2
Summary of Quarterly Performance and Management Report Testwork Results**

Report Line Description	Over- (Under-)reported
Number of assisted households	2
Number of occurrences of households where LIHEAP prevented the loss of home energy	70,002
Amount of funds obligated for LIHEAP 2022	(\$3,627,385)
Amount of funds obligated for ARPA	\$1,286,166

FFATA Reporting

The Federal Funding Accountability and Transparency Act (FFATA) and 2 CFR 170, Appendix A, require the agency to report subrecipient financial information through the FFATA Subaward Reporting System (FSRS) for all subawards over \$30,000. Reports are due no later than the end of the month following the month when the obligation occurred. The subaward information in FSRS is then made available to the public on USAspending.gov for transparency.

We reviewed FSRS to determine the agency’s compliance with FFATA reporting. Based on our review of the system and discussion with management, management did not report any of their 19 subawards in FSRS. Management did not report 15 of the 19 subrecipients’ information because management violated 2 CFR 25.300 by making subawards to subrecipients who did not have a unique entity identifier; this number is required to enter subrecipient information into FSRS. See Finding 2023-

018. Management stated that the other 4 subrecipients were not entered because of management oversight.

Performance Reporting

OCS LIHEAP Action Transmittal 2023-02 states that the LIHEAP Performance Data Form is an annual report in response to Title 42, *United States Code*, Section 8629(b), which requires the Secretary of the HHS to submit a report to Congress containing a detailed compilation of information on home energy consumption; the amount, cost, and type of fuels used for households eligible for assistance; the number and income levels of households assisted; and the number of households that received such assistance and include 1 or more individuals who are 60 years or older or disabled or include young children.

We reviewed the LIHEAP Performance Data Form to ensure management submitted the report timely and reported key line items accurately. We noted that management submitted the required report on March 20, 2023, 48 days after the January 31, 2023, due date. We also noted errors on 3 key line items.

Table 3
Summary of LIHEAP Performance Data Form Testwork Results

Report Line Description	Under-reported
Year-round crisis benefits – non-supplemental funds	\$11,323,664.00
Administration/planning costs – non-supplemental funds	\$7,431,092.80
Administration/planning costs – ARPA funds	\$6,431,096.00

EFFECT

When agency staff do not proactively perform procedures to ensure that reports generated are timely and adequately supported, management increases the risk of reporting inaccurate or untimely data to HHS.

Additionally, federal regulations address actions that federal agencies may impose if a state entity does not comply. According to 2 CFR 200.208(c), “Specific conditions,”

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;

- (5) Requiring the non-Federal entity to obtain technical or management assistance;
or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debaring the agency,
- withholding further awards for the project or program, or
- pursuing other available legal remedies.



RECOMMENDATION

Management should implement a system of internal controls that will allow staff to submit required reports to the federal grantor accurately and timely. Management should ensure all reports are reviewed for accuracy by a supervisor prior to submission to the federal grantor. Management should maintain access to former employees’ work files until management can review the files to determine what files should be maintained.

MANAGEMENT’S COMMENT

We concur. Management is putting into place a reporting schedule of all LIHEAP reports due, with periodic checkpoints between the preparer and supervisor to determine progress and address issues prior to the due dates. Additionally, all documentation (emails, system reports, etc.) supporting the report and values included is required to be stored at the same location as the final report on THDA’s shared drive. Finally, each federal report will be reviewed by a supervisor prior to its submission in order to confirm accuracy of data values and narrative and ensure that supporting documentation is on file.

Finding Number	2023-020
Assistance Listing Number	93.568
Program Name	Low-Income Home Energy Assistance
Federal Agency	Department of Health and Human Services
State Agency	Tennessee Housing Development Agency
Federal Award	2202TNLIEA, 2102TNE5C6, 2202TNLIEE, 2302TNLIEA and
Identification Number	2302TNLIEE
Federal Award Year	2021 through 2024
Finding Type	Material Weakness
Compliance Requirement	Other
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

Agency management did not establish a key process to ensure that internal controls related to the vendor-hosted THO application were appropriately designed and operating effectively

BACKGROUND

The Tennessee Housing Development Agency contracted with an information technology (IT) vendor, THO Software Solutions, to develop and maintain a web-based system to administer the Low-Income Home Energy Assistance Program (LIHEAP). THDA also contracts with human resource agencies as the vehicle to provide federal assistance to eligible households through the LIHEAP program. According to THDA's contract with the vendor, the THO application provides human resource agencies the ability to enter and process LIHEAP applications and generate reports. More specifically, the contract requires that THO

- Track duplication of services based on social security numbers and process applications based on THDA specifications if duplicate is found
- Allow agencies to update household and LIHEAP application data for households already existing and previously served in the statewide database
- Allow agencies to enter new household and LIHEAP application data for households applying for service for the first time
- Flag each application with the appropriate agency ID
- Provide agencies with the ability to process and pay their own agency LIHEAP applications

- Provide the ability to receive LIHEAP regular assistance online applications for households which received a LIHEAP benefit within the past 2 years
- Provide LIHEAP agencies with the required reports and reporting ability to successfully create payments, process refunds, and void payments as appropriate
- Provide THDA with access to a statewide database for its own reporting requirements.

CONDITION AND CAUSE

THDA did not evaluate whether the IT contractor implemented relevant internal controls over the processing and storage of agency program data within the THO application or whether the controls implemented were in place and operating effectively to ensure THDA could properly administer the LIHEAP program. While THDA management and internal audit obtained a self-assessment of THO's controls provided by the vendor and assessed THO as being a critical vendor with moderate risk, THDA did not conduct any specific assessments of THO's controls.

Additionally, when THDA management renewed the contract with THO in 2019, management did not ensure that the contract required THO to provide any type of independent assurance report, such as a System and Organization Controls (SOC) report. According to THDA management, the vendor did not have a SOC report or another equivalent assessment available at the time of our audit. Because the current contract with the IT vendor does not require an independent examination of internal controls, THDA management was unable to obtain assurance of controls by reviewing an independent examination report, such as a SOC report, that described the IT contractor's internal controls and the auditor's opinion regarding the effectiveness of controls.

Because the current contract with THO expires in September 2024, THDA is currently in the process of creating a Request for Proposal (RFP) to acquire a new contract for an information system to support the LIHEAP program. THDA stated the RFP will include a clause that requires the contractor to provide a SOC 2 Type 2 report for their information system services and to comply with all relevant state security policies. A SOC 2 Type 2 report provides management and other auditors with information regarding the design and effectiveness of internal controls and focuses on data security, availability, processing integrity, confidentiality, and/or privacy.

EFFECT

Failure to provide an independent audit of internal controls over THO or otherwise obtaining assurance of internal controls prevents agency management from obtaining assurance that the awards were processed and information was collected to comply with the federal requirements. Without an

assurance report, we were unable to determine whether THO implemented relevant internal controls and whether those controls operated effectively.

Because THO does not have a SOC report available, and since agency management has not gained additional visibility into THO's relevant internal control environment by other means, the agency may not design and implement appropriate safeguards to address the risks of using THO's services to support the federal program. SOC audit reports also identify any complementary user entity controls that a service organization, such as THO, would expect its customers to implement to achieve the control objectives specified in the SOC report. Consequently, the agency using the services offered by the information system provider may not have adequate internal controls implemented over its business processes if the agency is not made aware of complementary user entity controls.

CRITERIA

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies. According to "Documentation of the Internal Control System," Sections 3.09 through 3.11 of the Green Book,

Management develops and maintains documentation of its internal control system.

Effective documentation assists in management's design of internal control by establishing and communicating the who, what, when, where, and why of internal control execution to personnel. . . .

Management documents internal control to meet operational needs. Documentation of controls, including changes to controls, is evidence that controls are identified, capable of being communicated to those responsible for their performance, and capable of being monitored and evaluated by the entity.

"Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," Title 2, *Code of Federal Regulations*, Part 200, Section 1, states,

Internal controls for non-Federal entities means: (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

- i. Effectiveness and efficiency of operations;
- ii. Reliability of reporting of internal and external use; and
- iii. Compliance with applicable laws and regulations.

Best practices in the National Institute of Standards and Technology's Special Publication 800-53 (Rev. 5), *Security and Privacy Controls for Information Systems and Organizations*, Section SA-9, "External System Services," states that "the responsibility for managing risks from the use of external system

services remains with the authorizing officials.” Additionally, Section RA-3, “Risk Assessment,” states that

risk assessments consider threats, vulnerabilities, likelihood, and impact to organizational operations and assets, individuals, other organizations, and the Nation. Risk assessments also consider risk from external parties, including contractors who operate systems on behalf of the organization, individuals who access organizational systems, service providers, and outsourcing entities.

As another source of guidance on best practices, the Center for Internet Security’s *CIS Critical Security Controls*, Version 8, Control 15, “Service Provider Management,” 15.5, “Assess Service Providers,” recommends that an organization “Assess service providers consistent with the enterprise’s service provider management policy. Assessment scope may vary based on classification(s), and may include review of standardized assessment reports, such as Service Organization Control 2 (SOC 2) and Payment Card Industry (PCI) Attestation of Compliance (AoC), customized questionnaires, or other appropriately rigorous processes. Reassess service providers annually, at a minimum, or with new and renewed contracts.”



RECOMMENDATION

While management continues the process of procuring a new information system vendor to support the LIHEAP program, management should ensure that internal controls related to their applications are appropriately designed and operating effectively. When management establishes the new contract, they should ensure that the contract requires independent reviews of internal controls, such as SOC 2 Type 2 examinations. As part of its risk assessment, management should review these SOC examinations annually.

MANAGEMENT’S COMMENT

We concur. In 2020, THDA made changes to the contract procurement process to include IT as an approver for all contracts being processed through the contract approval software system. The THO contract extension was processed in December of 2019 solely by program staff. The contract extension also included the addition of new services. At the time of the contract extension, IT was unaware of the amount and type of data to be stored/collected in the system. IT leadership did meet with THO late in 2023 to express concerns around security, and the fact that they had no SOC II Type 2, nor did they have anything in the works to obtain one. As a result, THO did configure and add multi-factor authentication to the system in January of 2024. A Request for Proposal is being developed to be issued in the second quarter of 2024 which should allow for a new system by the second quarter of 2025.

THDA is in the midst of drafting its RFP to secure a software vendor to administer select federal programs, including LIHEAP. THDA has included in this RFP the following mandatory requirement: “For cloud-based software, provide a copy of a valid and current SOC 2 Type 2 certification for the system itself, not just the hosting platform such as Azure or AWS.”

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

Finding 2023-021: The Department of Mental Health and Substance Abuse Services reimbursed subrecipients for potentially unallowed activities, resulting in questioned costs totaling \$160,275

Finding 2023-022: The Department of Mental Health and Substance Abuse Services did not comply with Federal Funding Accountability and Transparency Act reporting requirements

Finding Number	2023-021
Assistance Listing Number	93.788 and 93.959
Program Name	Opioid STR Block Grants for Prevention and Treatment of Substance Abuse
Federal Agency	Department of Health and Human Services
State Agency	Department of Mental Health and Substance Abuse Services
Federal Award Identification Numbers	H79TI083307, H79TI085738, B08TI083477-01, B08TI083515, B08TI084672-01, and B08TI085834
Federal Award Year	2021 through 2023
Finding Type	Noncompliance
Compliance Requirement	Activities Allowed or Unallowed
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
93.788	H79TI083307, H79TI085738	\$80,275
93.959	B08TI083477-01, B08TI083515, B08TI084672-01, B08TI085834	\$80,000



FINDING

The Department of Mental Health and Substance Abuse Services reimbursed subrecipients for potentially unallowed activities, resulting in questioned costs totaling \$160,275

BACKGROUND

The Substance Abuse Prevention and Treatment Block Grant (block grant) and State Opioid Response (opioid) programs are administered by the state to help prevent and treat substance abuse and are funded by the U.S. Department of Health and Human Services. The federal department's Substance Abuse and Mental Health Services Administration (SAMHSA) division administers the block grant and opioid programs at the federal level, and the Tennessee Department of Mental Health and Substance Abuse Services (the department) administers the programs at the state level.

The block grant allows for activities that address the use and/or abuse of both licit and illicit drugs, alcohol, and tobacco, which includes alcohol and drug treatment and rehabilitation, as well as activities

such as education and counseling designed to reduce the risk of substance abuse. The opioid program is specifically for the prevention and treatment of opioid usage.

The department administers the block grant and the opioid programs by partnering with subrecipient entities across the state that are responsible for local-level program administration. The department accepts applications from prospective subrecipients and uses interviews and site visits to select and approve subrecipients. Once a subrecipient is approved, the department program staff work closely with the subrecipient to determine which program services the subrecipient will provide. The department staff list and define allowable activities in each subrecipient's contract and establish the related reimbursement rate for all subrecipients. Subrecipients are responsible for invoicing the department monthly through the Tennessee Web-based Information Technology System (TN-WITS), and the department subsequently reimburses the subrecipients through Edison based on the department's invoice approval process.

The block grant and opioid funds may be used for a broad range of substance abuse prevention, treatment, and recovery activities; however, Title 42, *Code of Federal Regulations* (CFR), specifically states that SAMHSA funds cannot be used for inherently religious activities, such as worship, religious instruction, or proselytization.³⁵

CONDITION AND CRITERIA

Methodology

For our block grant program testwork, we selected a nonstatistical, random sample of 40 expenditures, and 1 additional significant expenditure, from a population of 2,266 expenditures, totaling \$35,253,875, paid in fiscal year 2023. For our opioid program testwork, we selected a nonstatistical, random sample of 40 expenditures, and 2 additional significant expenditures, from a population of 1,189 expenditures, totaling \$30,631,119, paid in state fiscal year 2023.

Results

Based on our testwork, we found that the department reimbursed block grant subrecipients \$660 for pastoral/spiritual support for 4 of 41 items tested (10%). In addition, we found that the department paid an opioid subrecipient \$4,680 for pastoral/spiritual support for 1 of 42 items tested (2%).

Because the pastoral/spiritual support activity did not apply to all subrecipient invoices, we decided to inquire with management about the total amount paid to the subrecipients for pastoral/spiritual support instead of projecting the errors to the expenditure population. Based on further discussion with department staff and a review of all transactions recorded as pastoral/spiritual support services in TN-WITS, we determined that the department paid block grant subrecipients a total of \$80,000 and opioid subrecipients \$80,275 in the fiscal year ended June 30, 2023, for the potentially unallowed activity.

³⁵ Proselytization is defined as the process to induce someone to convert to one's faith.

The subrecipients' contracts provide that pastoral/spiritual support may include services that incorporate faith and religious beliefs in the recovery process, including helping service recipients develop their spirituality and religious practices. Furthermore, the contracts state that services could include practices such as prayer and scripture; one example of such services includes studying the application of religious beliefs with a spiritual leader. While faith-based organizations are eligible subrecipients of SAMHSA funds, the subrecipients cannot be reimbursed by the state for any inherently religious activities using either block grant or opioid federal program funds.

CAUSE

Based on our discussion with management, they do not interpret the pastoral services offered under the subrecipients' contracts as the same activities unallowed under the "inherently religious activities" described under 42 CFR 54.4. Management stated that faith-based organizations are valuable partners, particularly in rural areas where there are fewer substance abuse services available. We requested clarifying guidance from SAMHSA regarding whether the pastoral/spiritual support services the department offers are prohibited under the federal regulations; however, at the time of this report, SAMHSA had not provided any additional guidance.

EFFECT

Without clarifying guidance from the federal grantor for proper grant administration, there is an increased risk of management's noncompliance with the grant award and terms. Additionally, federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 2 CFR 200.208(c), "Specific conditions,"

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, "Remedies for noncompliance," outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,

- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debarring the agency,
- declining to award additional federal funds, or
- pursuing other available legal remedies.



RECOMMENDATION

We recommend that the Commissioner and staff obtain clarifying guidance from SAMHSA regarding whether the pastoral/spiritual support services that the department offers are allowable under federal regulations for the block grant and opioid programs.

MANAGEMENT’S COMMENT

TDMHSAS partially concurs as our proposal to SAMHSA included the Pastoral/Spiritual Services referenced and was accepted. Additionally, according to 42 CFR § 54.4, examples of inherently religious activities include “worship, religious instruction, or proselytization”. TDMHSAS would draw a distinction of these inherently religious activities from the activities funded through ARP, as the latter are not centered on attempting to convert an ARP recipient from one religion to another. Rather, ARP Pastoral/Spiritual Support Services are built on the premise that recovery from substance use disorder, as defined by SAMHSA, is “holistic, addressing not just a person’s substance use problems but also their physical, emotional, social, and spiritual wellness”. TDMHSAS ARP Pastoral/Spiritual Support Services are focused on assisting one in developing his/her spirituality and religious practices of their choosing. The individual’s right to choose is further ensured through Charitable Choice Regulations set forth in 42 CFR §§ 54.1e and referenced in each ARP grant contract. In addition, SAMHSA approved its COVID Emergency Relief Funding Proposal which references “pastoral/spiritual support” in the recovery services TDMHAS proposed to use funding for. With this said, TDMHSAS recognizes that the current service definition for ARP Pastoral/Spiritual Support references terms “scripture”, “religious beliefs”, and “religious practices”. In that these terms could misconstrue relevance to inherently religious activities, TDMHSAS will remove these terms from its service definition.

AUDITOR’S COMMENT

We have reviewed management’s comments and maintain our finding to seek federal grantor guidance.

Finding Number	2023-022
Assistance Listing Number	93.788, 93.958, and 93.959
Program Name	Opioid STR Block Grants for Community Mental Health Services Block Grants for Prevention and Treatment of Substance Abuse
Federal Agency	Department of Health and Human Services
State Agency	Department of Mental Health and Substance Abuse Services
Federal Award Identification Number	H79TI083307, H79TI085738, B09SM083790-01, B09SM083949-01, 1B09SM085345-01, B09SM085873-01, B09SM085993-01, B09SM087344-01, B08T1083477-01, B08TI083515, B08TI084672-01, and B08TI085834
Federal Award Year	2021 through 2023
Finding Type	Material Weakness and Noncompliance
Compliance Requirement	Reporting
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

The Department of Mental Health and Substance Abuse Services did not comply with Federal Funding Accountability and Transparency Act reporting requirements

BACKGROUND

The Department of Mental Health and Substance Abuse Services (the department) is the pass-through entity for the following programs administered by the Substance Abuse and Mental Health Services Administration (SAMHSA), a division of the Department of Health and Human Services:

- the Block Grants for Community Mental Health Services (mental health block grant), which provides states funds to help them provide community-based mental health services to adults with mental illness and children with serious emotional disturbances;
- the Block Grants for the Prevention and Treatment of Substance Abuse (substance abuse block grant), which helps states prevent and treat abuse of substances such as licit and illicit drugs, alcohol, and tobacco; and
- the Opioid State Targeted Response (opioid) program, which is specifically for prevention and treatment of opioid usage.

The Coronavirus Response and Relief Supplement Appropriations Act and the American Rescue Plan Act (collectively referred to as the COVID funds) provided the department with additional funds for the mental health and substance abuse block grants for state fiscal year 2023. The acts required the department to adhere to Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for the COVID funds. Beginning in fiscal year 2021, SAMHSA also required the department to comply with FFATA reporting requirements for non-COVID funds in the mental health and substance abuse block grants as well as the opioid program.

FFATA Reporting

The FFATA requires the department to report subrecipient subaward financial information through the FFATA Subaward Reporting System (FSRS) for all subawards \$30,000 and over. According to Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 170(a)(2)(ii), reports are due “no later than the end of the month following the month in which the obligation was made.” For public transparency, the subaward information in FSRS is then available to the public on the USA Spending website. The report includes key data elements such as the awardee name, award amount, the unique entity identifier, and the subaward obligation/action date.

The department uses its Budget Contract Monitoring System (BCMS) to track federal grants and subsequent subawards of the grants that require reporting under FFATA. Department staff also use an internal spreadsheet to track subaward information, including cumulative subaward amounts. Monthly, department staff generate the BCMS FFATA Contract report, which lists all grant awards that require FFATA reporting. Staff compare the report and internal spreadsheet to determine if subawards require initial reporting or if staff need to adjust previously reported subaward information. Staff report the transactions by the end of the following month of the initial subaward or adjustment.

CONDITION A AND CAUSE

Staff Did Not Report Non-COVID Subawards for the Mental Health and Substance Abuse Block Grants as Required by FFATA

Based on inquiries with the department’s fiscal team, we found that for fiscal year ended June 30, 2023, department staff did not report non-COVID subawards for the mental health and substance abuse block grants under the FFATA requirements. Further discussion with department staff revealed that department staff did not report any non-COVID subawards since the reporting requirement for the mental health and substance abuse grants became effective in 2021. According to department staff, when they developed BCMS in 2015, FFATA reporting did not apply to the mental health and substance abuse block grants; thus, management did not design the information system to track whether those grants required FFATA reporting. When the department received the COVID funds, they adjusted BCMS to account for the FFATA reporting requirement for those grants; however, staff did not adjust the system to account for FFATA reporting requirements for the non-COVID funds. As a result, management did not design a mitigating control to ensure the non-COVID mental health

block grant, substance abuse block grant, and the opioid program and subsequent subawards were included in the BCMS FFATA Contracts report that staff used to comply with FFATA reporting.

In summary, for fiscal year 2023, the department expended \$16,526,780 for non-COVID mental health and \$33,036,585 for non-COVID substance abuse block grants. However, without reviewing all contracts and amendments, department staff could not provide us the number and amount of subawards that were not reported under FFATA for these two block grants.

CONDITION B AND CAUSE

Department Staff Reported Subawards Late Based on FFATA Requirements

We obtained a population of 61 mental health block grant COVID subawards, 42 substance abuse block grant COVID subawards, and 160 opioid subawards \$30,000 and over that were obligated during fiscal year ended June 30, 2023. We selected a nonstatistical, random sample of 43 subawards across the 3 programs to determine if the department complied with FFATA reporting requirements. See **Table 1** for a breakdown for each program.

Table 1
Number of Fiscal Year 2023 Subawards by Program

	Mental Health Block Grant (COVID)	Substance Abuse Block Grant (COVID)	Opioid
Number of all subawards	71	44	195
Total dollar amount of all subawards	\$20,725,244	\$2,846,622	\$43,588,712
Number of subawards \$30,000 or greater	61	42	160
Total dollar amount of subawards \$30,000 or greater	\$20,562,108	\$2,814,702	\$42,819,218

Source: Obtained from BCMS.

Based on our work on the 43-item sample, we noted that fiscal staff did not report the following by the end of the month following the month management obligated the funds:

- 8 of 10 mental health block grant COVID subawards tested (80%),
- 5 of 7 substance abuse block grant COVID subawards tested (71%), and
- 10 of 26 opioid subawards tested (38%).

Staff reported the subawards to FSRS between 27 and 112 days late. See **Table 2** for a breakdown of the department's noncompliance by program.

**Table 2
FFATA Noncompliance by Program**

Program	Transactions Tested	Subaward Not Reported	Not Reported Timely	Subaward Amount Incorrect	Subaward Missing Key Data Elements
Mental Health Block Grant (COVID)	10	0	8	0	0
Substance Abuse Block Grant (COVID)	7	0	5	0	0
Opioid	26	0	10	0	0
Program	Dollar Amount of Tested Transactions	Subaward Not Reported	Not Reported Timely	Subaward Amount Incorrect	Subaward Missing Key Data Elements
Mental Health Block Grant (COVID)	\$1,737,915	\$0	\$1,181,073	\$0	\$0
Substance Abuse Block Grant (COVID)	\$528,337	\$0	\$446,199	\$0	\$0
Opioid	\$11,159,853	\$0	\$2,051,586	\$0	\$0

Source: Information reported in BCMS and FSRS.

Department management stated that the subawards were reported late because the fiscal accountant who handled the FFATA reporting during fiscal year 2023 was out on extended leave, and fiscal staff who assumed the FFATA reporting responsibilities required time to learn the FFATA reporting requirements and the department's process.

Risk Assessment

We reviewed the department's December 2022 Financial Integrity Act Risk Assessment and determined that management included that fiscal staff could be out for an extended period of time, causing FFATA subawards to not be reported timely.

Management also identified a mitigating control to address this risk, which included a back-up employee with access to FSRS to ensure timely FFATA reporting. We found, however, that management did not implement this mitigating control and did not assign a back-up employee with FFATA reporting responsibilities and access to the FSRS until the fiscal accountant was already on extended leave. As such, staff failed to meet reporting deadlines required by FFATA regulations.

Additionally, the department's risk assessment did not identify the risk of failing to report all FFATA contracts and did not develop a mitigating control to address the risk; thus, they did not ensure all subawards were properly reported.

CRITERIA

Condition A and Condition B

Appendix A to "Reporting Subaward and Executive Compensation Information," 2 CFR 200.170, states:

a. *Reporting of first-tier subawards.*

Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency. . . .

2. *Where and when to report.*

- i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrc.gov>.
- ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

Risk Assessment

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies. According to the Green Book, Principle 7.02, "Identification of Risks,"

Management identifies risks throughout the entity to provide a basis for analyzing risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.

According to Green Book Principle 7.09, "Response to Risks,"

When risk response actions do not enable the entity to operate within the defined risk tolerances, management may need to revise risk responses or reconsider defined risk tolerances. Management may need to conduct periodic risk assessments to evaluate the effectiveness of the risk response actions.

EFFECT

Not meeting the FFATA requirements increases the likelihood that the public will not have access to transparent and accurate information regarding expenditures of federal awards. Additionally, federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award.

According to 2 CFR 200.208(c), “Specific conditions,”

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debaring the agency,
- declining to award additional federal funds, or
- pursuing other available legal remedies.

RECOMMENDATION

The Commissioner of the Department of Mental Health and Substance Abuse Services should ensure staff are aware of the FFATA reporting requirements for all applicable grants and ensure any system used to determine appropriate reporting is complete and accurate. Management should implement a contingency plan to ensure FFATA reporting continues if staff take extended leave or separate from the department.

MANAGEMENT'S COMMENT

We concur.

This finding was corrected during the audit. A new report was created in BCMS to provide a listing of new contracts and contract amendments related to the federal block grants and was tested and implemented during the audit. In addition, a detective control has been created to identify any contracts with payments posted to the Edison accounting system not only for the federal block grants but for any federal discretionary grants as well. This Edison query will be run monthly and reviewed to ensure that all new contracts with payment activity have had FFATA reports prepared and submitted to fsrs.gov. This new mitigating control will be added to the department's Financial Integrity Act Risk Assessment.

During the audit, the responsibility for FFATA reporting was split between two staff members; one staff member prepares and submits the FFATA reports for the non-discretionary federal grants while the other staff member prepares and submits the FFATA reports for the federal block grants. The responsibility for the sign off on the Month-end Closing Checklist ensuring that FFATA reporting has been completed was also reassigned to the Accounting Manager supervising these two staff members. So, currently, we have three staff members familiar with FFATA reporting.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF FINANCE AND ADMINISTRATION

Finding 2023-023: As noted in the prior two audits, management did not address the division's CoverKids eligibility process deficiencies, resulting in \$31,499 in federal and state questioned costs

Finding Number	2023-023
Assistance Listing Number	93.767
Program Name	Children’s Health Insurance Program
Federal Agency	Department of Health and Human Services
State Agency	Department of Finance and Administration
Federal Award	
Identification Number	2205TN5021 and 2305TN3002
Federal Award Year	2022 and 2023
Finding Type	Material Weakness and Noncompliance
Compliance Requirement	Eligibility
Repeat Finding	2022-007
Pass-Through Entity	N/A
Questioned Costs	\$25,294



FINDING

As noted in the prior two audits, management did not address the division’s CoverKids eligibility process deficiencies, resulting in \$31,499 in federal and state questioned costs

BACKGROUND

The Division of TennCare (the division) oversees CoverKids, Tennessee’s Children’s Health Insurance Program. Funded at both the federal and state levels, the program provides health insurance coverage to uninsured, low-income children and pregnant women not otherwise eligible for Medicaid. From July 1, 2022, through June 30, 2023, the division made two types of payments on behalf of CoverKids members:

- monthly capitation payments to the managed care organizations;³⁶ and
- reimbursements to benefit managers for services, such as pharmacy and dental services.

The Division’s Eligibility Determination Process for CoverKids Applicants and Members

Initial Eligibility Process

CoverKids applicants apply for eligibility using TennCare Connect, the public-facing web portal of the division’s Tennessee Eligibility Determination System (TEDS). In addition to TennCare Connect, the division continues to accept applications through each of following methods:

³⁶ The division contracts with three managed care organizations and only pays them a capitation rate per member per month to provide services to CoverKids members. According to the Centers for Medicare and Medicaid Services, capitation is a way of paying organizations a set amount of money to cover the predicted cost of all or some health care services.

- by phone or online through the Federally Facilitated Marketplace;³⁷
- by phone or a paper application;
- online through the TennCare Access partner portal;³⁸ or
- by visiting a Department of Human Services office for in-person assistance with applying online, by paper, or by phone.

Generally, staff manually enter information received from phone and paper applications into TEDS, while information from online applications automatically uploads into the system. TEDS then automatically processes and verifies the applicant’s demographic, income, and household information against multiple state and federal databases to determine if the applicant is eligible for any available TennCare or CoverKids eligibility category, thereby removing the need for human intervention in many cases. If the applicant’s eligibility determination requires human intervention, such as when the system identifies discrepancies in application information or cannot verify information, the system automatically assigns an eligibility caseworker to process the application manually in TEDS.³⁹

Eligibility Renewals Begin April 1, 2023

Pursuant to the Families First Coronavirus Response Act, the division was not permitted to terminate members who were enrolled when the federal COVID-19 public health emergency (PHE) period began, with limited exceptions. As such, the division paused CoverKids eligibility renewals, eligibility category changes, and terminations from March 18, 2020, until March 30, 2023.⁴⁰ During the pause, the division could only terminate CoverKids coverage for existing members who died; voluntarily terminated coverage; became residents of another state; or, for members with pregnancy coverage, when the member’s postpartum period ended. The division began performing the Children’s Health Insurance Program (CHIP) eligibility renewals on April 1, 2023.

PRIOR AUDIT RESULTS

In the prior audit, we determined that division management attempted to address the TEDS system error that allowed ineligible members to continue with coverage after their postpartum period had ended, but this attempt was unsuccessful. Additionally, we identified an instance in which staff members incorrectly determined a member for CoverKids when he did not meet the residency requirement and an instance in which TEDS prohibited the termination of coverage for an individual who aged out of CoverKids.

³⁷ The U.S. Department of Health and Human Services operates the Federally Facilitated Marketplace, an organized marketplace of health insurance plans where individuals can apply for health insurance, including Medicaid and CoverKids.

³⁸ The division partners with the Department of Health, certain hospitals, and certain long-term care providers to assist an individual in the application process.

³⁹ According to division management, TEDS is a task-based system where an eligibility caseworker may have to manually verify an applicant’s information (such as Social Security Administration payment history or family composition) to continue processing eligibility.

⁴⁰ The federal government extended the PHE through January 11, 2023. CMS instructed states to begin redeterminations as early as February 1, 2023, and to complete all redeterminations by May 31, 2024.

Management concurred and stated that the division has dedicated staff monitoring documented risk assessment mitigation strategies to limit the number of eligibility errors in the program. Management stated that they also continually monitor both the TEDS system and the division's manual eligibility process.

CONDITION, CRITERIA, AND CAUSE

For the current audit, we determined that management decided to achieve corrective action through the unwinding renewal process, which started in April 2023. Additionally, we identified instances in which staff members and TEDS did not calculate the household income correctly, income was not verified, or the individual was over the income limit.

Noncompliance With CMS Guidelines and Eligibility Process Deficiencies

To determine whether management made capitation payments on behalf of eligible CoverKids members, we tested a random, nonstatistical sample of 60 capitation payments made between July 1, 2022, and June 30, 2023, totaling \$14,387. The sample was selected from a population of 491,621 capitation payments totaling \$114,412,773. From our capitation sample, we identified questioned costs of \$1,591 in federal and \$382 in state. We expanded our review of the members' benefits and identified additional known questioned costs of \$22,109 in federal and \$5,419 in state related to capitation payments and claims payments during the period of ineligibility.

Based on our review, for 12 of 60 payments tested (20%), eligibility caseworkers and TEDS did not verify the members' eligibility.

- For 9 of the 12, TEDS did not terminate coverage for pregnant women members' after their postpartum period ended. According to management, these issues occurred in part due to the division's misunderstanding of the Centers for Medicare and Medicaid Services (CMS) guidelines. Also, management did not communicate a request to its system vendor to remove this category from the monthly unwinding renewal process, allowing the members to keep benefits until they completed the renewal process. As a result of these nine errors, we identified \$17,928 in federal questioned costs and an additional \$4,401 in state questioned costs.

CMS published guidance through a January 6, 2021, Frequently Asked Questions (FAQ) for the Family First Coronavirus Response Act. This FAQ clarified that agencies should terminate CoverKids coverage for members who qualified for the program due to their pregnancy status at the conclusion of their postpartum period, provided they do not qualify for another program.

- For 2 of the 12, the member was over the income for CoverKids benefits or their income was not verified. According to management, these issues occurred due to a caseworker not verifying the income. As a result of these two errors, we identified \$5,772 in federal questioned costs and an additional \$1,400 in state questioned costs.

Title 42, *Code of Federal Regulations*, Part 457, Section 380(d), “Eligibility verification,” instructs that if a state “does not accept self-attestation of income, the State must verify the income of an individual by using the data sources and following standards and procedures for verification of financial eligibility. . . .”

According to the division’s Policy 200.035, “Verification,” the division must verify and document all of the member’s financial and non-financial information.

- For 1 of the 12, the member showed no household income reported; however, the individual was approved for CoverKids benefits instead of properly approved for the Medicaid program. According to management, this error occurred due to a system issue involving the income record. There were no questioned costs related to this error since the individual was still eligible for benefits; however, due to the other system issues we identified through our audit, we are including this system error description so that management is aware of all the system issues which should be addressed.

Section 1200-13-13-.02 of the *Rules of the Tennessee Department Finance and Administration Bureau of TennCare*, “TennCare Medicaid,” requires enrollees to meet all technical and financial requirements applicable to their category of medical assistance.

Noncompliance With CMS Guidelines and Renewal Process Deficiencies

To determine whether management conducted and documented CoverKids renewals appropriately, we tested a random, nonstatistical sample of 60 renewals occurring between April 1, 2023, and June 30, 2023. The sample was selected from a population of 5,134 renewal packets that were sent to CoverKids members.

Based on our review, for 2 of 60 renewals tested (3%), we determined that division staff or TEDS did not terminate or renew the members eligibility correctly. Specifically,

- For 1 of the 2, TEDS did not terminate coverage for a pregnant woman after their postpartum period ended. According to management, the member never responded to their pre-termination notice, and coverage was scheduled to end on June 13, 2023. Management stated that on June 29, 2023, a data fix was implemented to reinstate her benefits because the coverage was terminated prior to the pre-termination due date. Ultimately, management did not communicate a request to its system vendor to remove this category from the monthly unwinding renewal process, allowing the member to keep benefits until the renewal process was complete. As a result of this error, we identified \$376 in federal questioned costs and an additional \$95 in state questioned costs.
- For the remaining error, the individual was approved for continued benefits without division staff or TEDS verifying the household income. According to management, this error occurred due to a system issue in TEDS that prevented interfaces from running to verify the income. As a result of this error, we identified \$1,218 in federal questioned costs and an additional \$309 in state questioned costs.

For these 2 errors, the division’s Policy 200.035, “Verification,” identifies that the division must verify and document all of the member’s financial and non-financial information.

In total, we questioned the costs associated with these eligibility and renewal process deficiencies totaling \$31,499 (\$25,294 of which were federal and \$6,205 of which were state questioned costs).

Risk Assessment

We reviewed the Division of TennCare’s December 2022 Financial Integrity Act Risk Assessment and determined that management listed the risk of an eligibility caseworker or TEDS performing inaccurate eligibility determinations for which they designed appropriate controls; however, the controls as designed were not effective to prevent or identify the noncompliance errors we found.

The U.S. Government Accountability Office’s *Standards for Internal Control in the Federal Government* (Green Book) provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies. According to Green Book Principle 7, “Identify, Analyze, and Respond to Risks,”

7.09 . . . When risk response actions do not enable the entity to operate within the defined risk tolerances, management may need to revise risk responses or reconsider defined risk tolerances. Management may need to conduct periodic risk assessments to evaluate the effectiveness of the risk response actions.

EFFECT

When division staff and TEDS do not process CoverKids eligibility determinations, renewals, and terminations correctly, the division increases the risk of keeping ineligible individuals on its membership rolls, thereby allowing them to receive CoverKids benefits to which they are not entitled, resulting in costs not allowable under the federal Children’s Health Insurance Program.

Additionally, federal regulations address actions that the U.S. Department of Health and Human Services (HHS) may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 45 CFR 75.207(b), “Specific award conditions,”

These additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 45 CFR 75.371, “Remedies for noncompliance,” outlines additional actions HHS may take. Depending on the circumstances, these actions may include

- withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the award,
- initiating suspension or debarment,
- withholding awards, or
- pursuing other legal remedies.



RECOMMENDATION

The Deputy Commissioner should ensure that the Assistant Commissioner works with the TEDS contractor to verify that all system changes are operating to align with the program’s rules and regulations.

In addition, the Assistant Commissioner should ensure that eligibility caseworkers are fully trained so that they understand their responsibilities relating to CHIP eligibility and renewals and can properly determine if members are eligible for CoverKids benefits. Furthermore, the division should determine any additional unallowable payments made on behalf of members whose postpartum eligibility period has ended.

Management should evaluate the effectiveness of control activities for the risks identified in this finding, update the risk assessment as necessary, and take action if deficiencies occur. As part of this process, management should assign staff to continually monitor risks and assess mitigating controls.

MANAGEMENT’S COMMENT

TennCare agrees that a portion of CoverKids members who reached the end of the postpartum period were not terminated as quickly as they could have been. Each issue identified by the auditors will be addressed below.

For 9 of the 12, TEDS did not terminate coverage for pregnant women members after their postpartum period ended.

TennCare concurs. Some CoverKids pregnant women did not begin the eligibility review and potential termination process immediately upon the end of their postpartum period in error. Instead, they were queued for the Unwinding renewal process to ensure a full review would be completed prior to loss of benefits. As noted during the previous audit, during the Public Health Emergency TennCare misinterpreted CMS guidance to require states to continue eligibility for this population until the formal Unwinding renewals began in 2023. Although that understanding was corrected in early 2023 and TennCare began taking steps to close coverage for many CoverKids women whose eligibility continued to remain open in February and March 2023, during the massive undertaking of restarting renewals after a three-year pause, TennCare staff failed to communicate a change order to its system vendor to remove this category from the monthly Unwinding renewal process. The impact was that coverage remained open pending the outcome of the renewal if both the change termination process and the renewal process occurred simultaneously. TennCare has now implemented a change to the Unwinding process to remove CoverKids pregnant women from the formal renewal process.

For 2 of the 12, the member was over the income for CoverKids benefits or their income was not verified.

TennCare concurs. Targeted coaching has been completed with the staff who incorrectly processed these cases.

For 1 of the 12, the member showed no household income reported; however, the individual was approved for CoverKids benefits instead of properly approved for the Medicaid program.

TennCare concurs. The system was updated in April 2022 to prevent this issue moving forward. A query was performed to identify similar cases and none were found.

For 1 of the 2, TEDS did not terminate coverage for a pregnant woman after their postpartum period ended.

TennCare concurs. The reason why the coverage remained open after the pre-termination notice was not returned was initially due to a defect and the need to reinstate to provide proper due process. Ultimately, however, the member was scheduled for a future renewal, as discussed in the issue with the 9 cases above.

For the remaining error, the individual was approved for continued benefits without division staff or TEDS verifying the household income.

TennCare concurs. The issue was corrected in April 2023.

TennCare will continue its extensive training for eligibility staff. The previously described monthly case reading process will also continue with a special focus on entry and processing of income data.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Finding 2023-024: The Department of Economic and Community Development management did not ensure that subrecipient contracts contained all the required subaward information at the time of the subaward

Finding Number	2023-024
CFDA Number	21.027
Program Name	Coronavirus State and Local Fiscal Recovery Funds
Federal Agency	Department of the Treasury
State Agency	Department of Economic and Community Development
Federal Award Identification Number	SLFRP5534
Federal Award Year	2021 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Subrecipient Monitoring
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

The Department of Economic and Community Development management did not ensure that subrecipient contracts contained all the required subaward information at the time of the subaward

BACKGROUND

The American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds (the Fund) to provide state, local, and tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. The U.S. Department of the Treasury issued an interim final rule implementing the Fund's program on May 10, 2021, and has since disbursed over \$240 billion to state, local, and tribal governments and received over 1,500 public comments on the interim final rule. Tennessee has received \$3.7 billion from the Fund.

State agencies submitted proposals to state leadership through the Governor's Financial Stimulus Accountability Group (FSAG),⁴¹ which issued the Tennessee Resiliency Plan to summarize selected projects.

The FSAG allocated \$500 million to the Department of Economic and Community Development (the department) to continue its work on the Tennessee Emergency Broadband Fund. The purpose of this fund is to provide non-recurring funding to internet service providers (subrecipients) to

⁴¹ On April 16, 2020, the Governor created the FSAG to aid in the proper fiscal management of stimulus funds.

facilitate broadband access to all Tennesseans and promote programs that encourage broadband adoption and use.

CONDITION AND CRITERIA

In awarding these federal funds to subrecipients, the department was required by “Requirements for pass-through entities,” Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 332, to include specific award information to subrecipients at the time of the award. This information includes

- (i) Subrecipient name (which must match the name associated with its unique entity identifier);
- (ii) Subrecipient’s unique entity identifier;
- (iii) Federal Award Identification Number (FAIN);
- (iv) Federal Award Date . . . of award to the recipient by the Federal agency;
- (v) Subaward Period of Performance Start and End Date;
- (vi) Subaward Budget Period Start and End Date;
- (vii) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
- (viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
- (ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- (x) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- (xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
- (xii) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
- (xiii) Identification of whether the award is R&D [Research and Development]; and
- (xiv) Indirect cost rate for the Federal award (including if the de minimis rate is charged).

As required by the Department of Finance and Administration, the department attested to its responsibilities to comply with pass-through entity requirements stated in 2 CFR 200.332.

Department management informed us that the required information is listed in the Federal Award Identification Worksheet, Attachment B of each subrecipient’s contract. Of 65 total executed contracts with subrecipients between July 1, 2022, and September 30, 2023, we tested a sample of 25

subrecipient contracts. We found that for all contracts tested (100%), the department did not inform the subrecipients of the following required information:

- the Federal Award Identification Number (iii);
- the date of the federal award (iv); and
- the amount of federal funding obligated to the subrecipient by the pass-through entity (viii).

We also found that, in 5 of the 25 contracts (20%), the department listed the incorrect unique entity identifier (ii). The unique entity identifiers did belong to other subrecipients of the Emergency Broadband Fund, but they were not the correct identifiers for these 5 subrecipients.

CAUSE

According to our discussions with department management, a former employee was responsible for entering the required federal award information into the subrecipient contracts. This employee entered the information available to them at the time; however, apparently because they lacked some of the federal information, they omitted required information at the time of the subaward. Management believed that all required information was already included because they were using the Central Procurement Office⁴² contract template; therefore, management did not perform a subsequent review.

EFFECT

Management's inability to include the required grant award information at the time of the subaward increases the risk that the subrecipients may not possess all pertinent federal award information to achieve compliance with all federal grant requirements. Additionally, federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award.

According to 2 CFR 200.208(c), "Specific conditions,"

Additional Federal award conditions may include items such as the following:

- Requiring payments as reimbursements rather than advance payments;
- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- Requiring additional, more detailed financial reports;

⁴² The Central Procurement Office is responsible for managing centralized procurement of goods and services for use by state departments and agencies and is responsible for vendor relations and contract management.

- Requiring additional project monitoring;
- Requiring the non-Federal entity to obtain technical or management assistance; or
- Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debaring the agency,
- declining to award additional federal funds, or
- pursuing other available legal remedies.



RECOMMENDATION

The Commissioner should ensure that management is aware of the requirements listed in 2 CFR 200.332. Management and staff should properly communicate federal award information when making subawards to subrecipients. Additionally, the Commissioner should ensure management designs and implements internal controls around such communication.

MANAGEMENT’S COMMENT

We concur with the finding. Title 2, *Code of Federal Regulations*, Section 200.332 (a) says that subaward identification “includes the following information at the time of subaward” and furthermore “when some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward at the time of the award.”

As mentioned above, staff completed the provided Central Procurement Office (CPO) template with the information and guidance available at the time. The template provided has since been updated by CPO and no longer refers to DUNS and CFDA numbers, which are now defunct identifiers. Since the execution of these contracts, the broadband team has grown to include seven full-time employees and an outside contractor to assist with the workload to help us better address grants management going forward.

Now that all information is available, management has a plan to both update/alert current subrecipients with missing or dated information and to prevent this finding from recurring.

First, management is updating the information on the federal award identification worksheet and will provide an updated form to all current subrecipients in compliance with guidance from CPO.

CPO guidance from contract template:

Option: Federal Award Identification Worksheet

If the Grantee is a subrecipient and the Grant Agreement involves any federal funds, the Grantor State Agency must complete the federal award identification worksheet on the following page and reference the worksheet by adding the following section. Include the worksheet as an attachment to the Grant Agreement. If some federal award identification worksheet information is not available, provide as much information as is available. Grantor State Agencies should update the worksheet no more than once every six (6) months to reflect any changes. Grantor State Agencies should also send the updated worksheet to the Grantee and upload a copy into Edison.

Second, TNECD uses a standard contracting template spreadsheet to develop contracts. Prior to the TEBF-ARP contracts, the items for the FAIN were not included as a part of our spreadsheet. As a result of this finding, management has worked with our legal and contracting team and CPO to ensure each of these line items is added as a column on the spreadsheet. This will streamline the inclusion of this information.

Furthermore, the two primary grants managers on the broadband team have completed three Management Concept courses covering Grants Management for Pass Through Entities (PTEs), with plans to complete more in pursuit of a certification. This ensures that relevant staff are receiving extensive training on compliance with federal funds.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

TENNESSEE WILDLIFE RESOURCES AGENCY

Finding 2023-025: As noted in the prior audit, Tennessee Wildlife Resources Agency management did not perform required subrecipient monitoring and did not obtain and review subrecipients' Single Audits

Finding Number	2023-025
Assistance Listing Number	15.605, 15.611, and 15.626
Program Name	Fish and Wildlife Cluster
Federal Agency	Department of the Interior
State Agency	Tennessee Wildlife Resources Agency
Federal Award Identification Number	F16AF00250, F16AF00736, F17AF00625, F18AF00534, TNW-F18AF00054, F19AF00465, F19AF00527, F19AF00545, F19AF01174, F19AF01175, F19AF01176, F19AF01177, F20AF00301, F21AF00850, F21AF01215, F21AF02151, F21AF03909, F22AF00573, F22AF02144, and F23AF00751
Federal Award Year	2016 through 2023
Finding Type	Material Weakness and Noncompliance
Compliance Requirement	Subrecipient Monitoring
Repeat Finding	2022-014
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

As noted in the prior audit, Tennessee Wildlife Resources Agency management did not perform required subrecipient monitoring and did not obtain and review subrecipients' Single Audits

BACKGROUND

The Tennessee Wildlife Resources Agency (TWRA) administers the Fish and Wildlife cluster of programs, which are federal programs under the oversight of the U.S. Fish and Wildlife Service. The Fish and Wildlife Cluster includes the following programs:

- The *Sport Fish Restoration* program provides funds to restore, conserve, and enhance sport fish populations and to provide for public use and enjoyment of these fishery resources.
- The *Wildlife Restoration* program provides funds to restore, rehabilitate, and improve wildlife populations and their habitats; to conduct wildlife management research, and wildlife population surveys and inventories; to acquire land; and to provide for public use of wildlife resources.
- The *Basic Hunter Education* program provides training to hunters in the safe handling and use of firearms and archery equipment; hunter responsibilities and ethics; survival; construction, operation, and maintenance of public shooting ranges; and basic wildlife management and identification.

- The *Enhanced Hunter Education and Safety* program provides funds to enhance programs for hunter education, recruitment, and safety; to increase interstate coordination of hunter education programs; to enhance programs for bow hunters and archers; to enhance construction and development of firearm and archery ranges; and to update safety features of firearm and archery ranges.

For fiscal year 2023, TWRA awarded a total of \$3,183,825 in federal funds to 14 subrecipients, such as nonprofit foundations and universities, to carry out the activities of the Fish and Wildlife Cluster programs.

PRIOR AUDIT RESULTS

In the prior audit, we reported that management did not perform subrecipient monitoring and did not obtain and review subrecipients' Single Audit reports. We also reported that TWRA management's December 2021 Financial Integrity Act Risk Assessment did not identify risks related to the failure to perform subrecipient monitoring activities and the failure to obtain and review subrecipients' Single Audit reports and, as such, did not identify control activities to mitigate these risks and ensure compliance with federal requirements.

TWRA management concurred with the finding and stated that the agency did not perform subrecipient monitoring and did not obtain and review subrecipients' Single Audit reports due to a lack of staff. TWRA management stated they would create a program monitoring guide and update the current risk assessment by July 31, 2023.

In the agency's six-month follow-up report of corrective action, dated September 21, 2023, management stated they updated the risk assessment in relation to the subrecipient monitoring finding and updated the related policy; however, management did not implement the updated policy because they were considering contracting with an outside agency for assistance with grants management. To improve compliance with grant requirements, management created a new training presentation for all agency staff who manage grants. Additionally, the Executive Director approved a new position to serve as a grant monitor, but the agency has not filled the position as of November 29, 2023.

CONDITION, CRITERIA, AND CAUSE

To obtain an understanding of TWRA management's subrecipient monitoring procedures, we met with management, and based on our discussions, we determined that for fiscal year ended June 30, 2023, management still did not

- perform subrecipient monitoring as required by Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 332(d); and

- obtain and review subrecipients' Single Audit reports and issue management decisions on findings as required by 2 CFR 200.332.

According to 2 CFR 200.332(d), management must

Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

As the pass-through entity, TWRA is required by 2 CFR 200.332 to verify that all subrecipients that spend \$750,000 or more obtain a Single Audit within nine months after the subrecipient's fiscal year-end. When the subrecipient's Single Audit includes audit findings, TWRA must issue a management decision within six months of the audit report's release, indicate if the subrecipient agency agreed with the finding, and describe any corrective action the subrecipient must take.

TWRA management stated that they did not monitor any subrecipients and did not obtain and review subrecipients' Single Audit reports because of a lack of staff. Management also stated that in response to the prior audit finding, they developed procedures for subrecipient monitoring; however, they have not put these procedures into practice. Management created a subrecipient risk assessment monitoring document in June 2023 as a part of the procedures developed to document risks noted as they monitor subrecipients but have not started using this form. The Chief of Real Estate and Federal Aid stated that they were waiting to hire an internal audit director who would be the one to monitor the subrecipients using this form.

Risk Assessment

We reviewed TWRA's 2022 Financial Integrity Act Risk Assessment and noted that management identified risks associated with the lack of subrecipient monitoring and with the failure to review subrecipient Single Audit reports, but management failed to implement controls to mitigate these risks.

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies. According to Green Book Principle 10.02, "Response to Objectives and Risks,"

Management designs control activities in response to the entity's objectives and risks to achieve an effective internal control system. Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives to achieve the entity's objectives and address related risks.

EFFECT

When TWRA management does not follow federal requirements to perform subrecipient monitoring, management cannot ensure subrecipients have reasonably complied with federal statutes, regulations, and terms and conditions of the grant award.

Also, when management does not obtain and review subrecipients' Single Audit results as required by federal regulations, including Single Audit findings, management increases the risk that it will not promptly identify subrecipients' noncompliance and control deficiencies so that corrective action can be achieved.

Additionally, federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 2 CFR 200.208(c), "Specific conditions," these actions may include

- requiring payments as reimbursements rather than advance payments;
- withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
- requiring additional, more detailed financial reports;
- requiring additional project monitoring;
- requiring the non-federal entity to obtain technical or management assistance; or
- establishing other prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, "Remedies for noncompliance," outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debarring the agency,
- withholding further awards for the project or program, or
- pursuing other available legal remedies.



RECOMMENDATION

The Executive Director should ensure management and staff comply with federal regulations and requirements related to subrecipient monitoring and should ensure management implements policies and procedures to guide agency staff tasked to perform subrecipient monitoring activities. Management should take prompt action to initiate monitoring activities to identify areas of subrecipient noncompliance and follow up on required corrective action as needed. Management should also ensure key personnel are aware of all required monitoring responsibilities, including reviewing subrecipients' Single Audit reports, issuing management decisions, and obtaining subrecipient corrective action plans when necessary.

Management should implement effective controls to address the risks noted in this finding and take action if deficiencies occur. As part of this process, management should assign staff to continually monitor risks and assess mitigating controls.

MANAGEMENT'S COMMENT

We concur. The Tennessee Wildlife Resources Agency continues to progress toward full implementation of our sub-recipient monitoring process. Several key elements of the process have been implemented to date. First, we have developed the Federal Aid Procedures Manual. Included in the manual are chapters on Sub-recipient Monitoring and Procedures and a subrecipient risk assessment process, complete with risk assessment templates. Second, we have assigned responsibility for the process with the TWRA Project Manager, Tennessee Finance and Administration Controller for TWRA, and the TWRA Federal Aid and Real Estate Division jointly responsible for monitoring of each Federal subaward throughout the life of the award. Lastly, our staff have attended training and are now required to attend annual update trainings.

Direct subrecipient monitoring activities will be split between the TWRA Federal Aid and Real Estate Division and the TWRA Project Manager. The TWRA Federal Aid and Real Estate Division, with the assistance of the Grant Monitor, is responsible for macro- (institutional) level monitoring processes while the TWRA Project Manager is responsible for micro- (project) level monitoring. Macro-level monitoring processes include advising the subrecipient of requirements imposed on them by federal laws, regulations, and the provisions of the subaward agreement; review of the single audit as required; and conducting periodic spot checks of reports to ensure the award is being carried out according to the terms and conditions of the agreement. Micro-level monitoring, conducted by the Project

Manager, should involve regular (at semi-annual) communication between TWRA and the subrecipient organization to ensure the project is being carried out as proposed and according to schedule.

Of note, our recent Office of Inspector General (OIG) audit of U.S. Fish and Wildlife Service Grants resulted in a similar finding. During that audit, the OIG “reviewed the (sub-recipient monitoring) procedures and found them to be adequate” and acknowledged that the process was being implemented, albeit outside of the timing of their audit.

We anticipate full implementation of this process by June 30, 2024.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF AGRICULTURE

Finding 2023-026: As noted in the two prior audits, the Tennessee Department of Agriculture did not have internal controls over household eligibility determinations and annual inventory counts at storage locations for the Emergency Food Assistance Program

Finding Number	2023-026
Assistance Listing Number	10.568 and 10.569
Program Name	Food Distribution Cluster
Federal Agency	Department of Agriculture
State Agency	Department of Agriculture
Federal Award	
Identification Number	225TN813P1103, 225TN817Y8105, and 235TN817Y8105
Federal Award Year	2022 and 2023
Finding Type	Material Weakness and Noncompliance
Compliance Requirement	Eligibility Subrecipient Monitoring Special Tests and Provisions
Repeat Finding	2022-013
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

As noted in the two prior audits, the Tennessee Department of Agriculture did not have internal controls over household eligibility determinations and annual inventory counts at storage locations for the Emergency Food Assistance Program

BACKGROUND

The Department of Agriculture (the department), in partnership with the U.S. Department of Agriculture (USDA) and local organizations, operates the Emergency Food Assistance Program (food program) to provide low-income households emergency food assistance. USDA purchases a variety of food items and makes them available to state distributing agencies. On behalf of the department, subrecipients on contract with the department administer the program in compliance with the grant award. The department places food orders with USDA on behalf of the subrecipients, and USDA delivers the food directly to the subrecipients' warehouses. The subrecipients must manage the inventory in their warehouses by tracking food receipts and food distributions, performing a physical food inventory count at least annually, and documenting adjustments to food inventory records, such as losses due to spoilage. Also, the subrecipients determine whether applicants meet income requirements and are residents of the state of Tennessee, and they provide food to households deemed eligible. The department reimburses the subrecipients for administrative costs, such as payroll costs associated with operating the food program. During our audit period, the department contracted with 22 subrecipients for the purpose of administering the program.

PRIOR AUDIT RESULTS

In the 2021 Single Audit, we noted that management did not have controls in place for household eligibility determinations and food inventory. In prior years, the department performed on-site subrecipient reviews to determine if subrecipients were accurately determining household eligibility and managing the inventory according to federal requirements. According to management, they stopped performing the on-site reviews in March 2020 because of the COVID-19 pandemic. Management concurred with the prior finding and stated the following:

The department will establish control activities (review process) to ensure and document subrecipient compliance with inventory and eligibility requirements. If deficiencies are disclosed, the department will submit a report of findings to the subrecipient and ensure corrective action is taken. . . . Monitoring activity will transition to a desk audit format with virtual visits incorporated as needed to maximize safety protocols and minimize disruption of the monitoring schedule due to public health or other emergency situations. If deficiencies are disclosed, the department will submit a report of findings to the subrecipient and ensure corrective action is taken. The commodity administrator will be responsible for monitoring risks and assessing controls.

During the 2022 Single Audit, management explained in their six-month follow-up for the 2021 audit finding “that upon approval by the USDA Southeast Regional Office, management will conduct desk audit reviews of all 22 eligible recipient agencies (ERAs) during Federal Fiscal Year 2023. In November 2022, the UDSA approved the department’s plan to begin reviews of subrecipients.”

Because the department was waiting for USDA to approve the department’s plan, it did not monitor its subrecipients, resulting in a repeat finding in the 2022 Single Audit. Department management still did not have controls in place for household eligibility determinations and food inventory. Additionally, the 2022 Single Audit identified subrecipient noncompliance related to nonperformance of annual inventory counts and inaccurate inventory records at three of the four sites visited. Management concurred and stated it would implement the USDA-approved monitoring plan in April 2023 and complete the monitoring by September 2023 to coincide with the end of the federal fiscal year.

However, in management’s six-month follow-up for the 2022 audit finding, the department’s plan to conduct desk audit reviews of all 22 ERAs during federal fiscal year 2023 was delayed with a new completion date of December 15, 2023. After completing the initial desk reviews, the department will move to a 4-year cycle where they will examine 25% of all ERAs and will ensure that no subrecipient goes 4 years without a review. The department will also review the lesser of one-tenth or 20 subrecipients that receive food pursuant to an agreement with another ERA, using a risk-based and random sampling approach.

CONDITION AND CAUSE

Inventory Management and Household Eligibility

As noted in the prior audit finding, department management did not implement monitoring controls to ensure compliance with the food program's inventory and eligibility requirements. Based on our discussions with department management, during fiscal year ended June 30, 2023, management had neither resumed their previous control activity of on-site reviews nor implemented other control activities to ensure subrecipients reasonably complied with the federal regulations.

In the absence of management controls, we performed compliance testwork to determine whether three subrecipients complied with federal regulations for inventory records and household eligibility determinations.

Based on our compliance testwork and discussions with department and subrecipient management, we found that two of the subrecipients had not maintained accurate food commodity inventory records, and one did not perform the annual inventory as required.

Inaccurate Inventory Records

At two of the three subrecipients we visited, we noted inaccurate food records and inaccurate food distribution counts. We performed very limited counts and still noted discrepancies:

- During our inventory count for 1 subrecipient, we expected to find only 56 pouches of chili, but we found the subrecipient had 220 pouches of chili in stock.
- During our review of 1 subrecipient's records to support accurate reporting of distributed items, we noted a significant difference in the number of items reported on the October 2022 and January 2023 monthly inventory reports submitted to the Department of Agriculture. The documentation provided to show the number of items distributed failed to match the monthly inventory reports for all 10 items randomly selected for testing. The range in discrepancies varied from underreporting 12,360 items to overreporting 5,616 items. Based on the documentation provided by the subrecipient, we were unable to support that the agency accurately reported the number of items distributed on the monthly inventory reports.

Annual Inventory Not Performed

Regarding the subrecipient that did not perform the required annual inventory, we had previously identified this same subrecipient in the prior audit for failing to conduct the inventory count, and we determined through our current testwork that management has not ensured corrective action during the current audit. Specifically, according to subrecipient management and their food distributor,⁴³

⁴³ A food distributor stores the subrecipient's food items until the subrecipient requests the distributor to deliver the food items to locations and in the quantities directed by the subrecipient.

this subrecipient (along with four other subrecipients under the same food distributor also reported in the prior audit) still did not conduct an annual inventory count or request tracking documents, such as bills of lading, receipts for received food, or documents showing food distributed, and relied solely on the information provided by the distributor.

Risk Assessment

We reviewed the Department of Agriculture’s 2022 Financial Integrity Act Risk Assessment for department operations and determined that management did not identify the risk of the department’s or their subrecipients’ noncompliance with federal inventory and eligibility requirements and, as such, did not identify or implement control activities to ensure compliance with these requirements.

CRITERIA

Inventory Management and Household Eligibility

According to Title 2, *Code of Federal Regulations*, Part 200, Section 303(a), a non-federal agency must

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Additionally, according to Title 7, CFR, Part 251, Section 10(e),

- (1) Each State agency must monitor the operation of the program to ensure that it is being administered in accordance with Federal and State requirements. State agencies may not delegate this responsibility. . . .
- (3) Each [subrecipient monitoring] review must encompass, as applicable, eligibility determinations, food ordering procedures, storage and warehousing practices, inventory controls, approval of distribution sites, reporting and recordkeeping requirements, and civil rights.

According to Title 7, CFR, Part 250, Section 12(b), “Inventory Management,”

On an annual basis, the distributing agency must conduct a physical review of donated food inventories at all storage facilities used by the distributing agency (or by a subdistributing agency) and must reconcile physical and book inventories of donated foods.

According to the department’s *The Emergency Food Assistance Program Manual* for subrecipients,

Required Records: Each RA [Recipient Agency] or other entity which has an agreement with the RA is required to keep accurate and complete records associated with the receipt, storage, distribution, disposal, and inventory of TEFAP [the Emergency Food Assistance Program]

foods as well as any funding received under the TDA [Tennessee Department of Agriculture] grant contract.

Risk Assessment

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies.

According to Green Book Principle 7.02, "Identification of Risks,"

Management identifies risks throughout the entity to provide a basis for analyzing risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.

Additionally, Principle 9.04, "Analysis of and Response to Change," states

As part of risk assessment or a similar process, management analyzes and responds to identified changes and related risks in order to maintain an effective internal control system. Changes in conditions affecting the entity and its environment often require changes to the entity's internal control system, as existing controls may not be effective for meeting objectives or addressing risks under changed conditions. Management analyzes the effect of identified changes on the internal control system and responds by revising the internal control system on a timely basis, when necessary, to maintain its effectiveness.

EFFECT

The lack of sufficient monitoring controls over inventory management and household eligibility determinations increases the risk of noncompliance with federal requirements and fraud, waste, and abuse in this federal program. Without sufficient monitoring, department management cannot reasonably ensure that subrecipients fulfill federal requirements and meet the goals of this federal program.

Additionally, federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award.

According to 2 CFR, Part 200, Section 208(c), "Specific conditions,"

Additional Federal award conditions may include items such as the following:

- (1) Requiring payments as reimbursements rather than advance payments;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;

- (3) Requiring additional, more detailed financial reports;
- (4) Requiring additional project monitoring;
- (5) Requiring the non-Federal entity to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, Title 2, CFR, Part 200, Section 339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debarring the agency,
- declining to award additional funds, or
- pursuing other available legal remedies.



RECOMMENDATION

The Commissioner of the Department of Agriculture should ensure staff members have the resources to establish internal controls to ensure staff and subrecipients comply with inventory and eligibility requirements. Management should take prompt action to implement the USDA-approved monitoring plan to identify areas of subrecipient noncompliance and follow up on required corrective action as needed.

Management should implement effective controls to address the risks noted in this finding, update the risk assessment as necessary, and take action if deficiencies occur. As part of this process, management should assign staff to continually monitor risks and assess mitigating controls.

MANAGEMENT’S COMMENT

We concur. To ensure and document effective internal controls, the department has implemented the USDA-approved monitoring plan to identify areas of subrecipient noncompliance and will follow up on required corrective action as needed. The approved monitoring plan establishes controls to

address the risks noted in the finding. Although delayed per our response to the 2022 single audit, the department has now completed desk audit reviews of all 22 subrecipients, which will serve as a baseline for subsequent years' reviews. Each subrecipient completed a self-assessment document, which has been used to identify areas where technical assistance is needed and which will be used for comparison as the department conducts future monitoring activities following the USDA-prescribed four-year review cycle.

Additionally, the following was added to the 2023 Departmental Risk Assessment (Form 3):

Risk: TEFAP subrecipients are not monitored in accordance with USDA inventory and eligibility requirements.

Controls:

1. The Administration and Grants Division ensures the TEFAP monitoring plan filed with the CPO meets all current USDA requirements for a state monitoring system. (Annually)
2. The monitoring plan is monitored internally to ensure the monitoring plan is completed within the timeline. (Regularly throughout the year.)

The commodity administrator will be responsible for monitoring risks and assessing controls.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF MILITARY

Finding 2023-027: The Department of Military does not have adequate procedures for subrecipient monitoring, resulting in noncompliance

Finding Number	2023-027
Assistance Listing Number	97.036
Program Name	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Agency	Department of Homeland Security
State Agency	Department of Military
Federal Award Identification Number	FEMA-4427-DR, FEMA-4476-DR, FEMA-4514-DR, FEMA-4541-DR, FEMA-4550-DR, FEMA-4594-DR, FEMA-4601-DR, and FEMA-4609-DR
Federal Award Year	2019 through 2021
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Subrecipient Monitoring
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

The Department of Military does not have adequate procedures for subrecipient monitoring, resulting in noncompliance

BACKGROUND

The Federal Emergency Management Agency (FEMA), which is part of the Department of Homeland Security, provides grant funding to the Tennessee Emergency Management Agency (TEMA) within the Tennessee Department of Military (Military) to help TEMA fulfill its mission “to coordinate preparedness, response, and recovery from man-made, natural, and technological hazards in a professional and efficient manner in concert with our stakeholders.”

When a disaster occurs, Military (the recipient) obtains a prime award with FEMA. Using this award, applicants (for example, counties, cities, and nonprofits) apply directly with FEMA to obtain approval for projects supporting the disaster. Military or another state agency may also be an applicant in situations where Military or the state agency uses its own staff and resources to perform project activities. After reviewing the request, FEMA approves the applicant for the requested project.

Once FEMA approves the project, Military then develops and obtains an agreement with the applicant. After the agreement between Military and the applicant is in place, applicants bill Military for allowable costs incurred. Military then pays the applicant and ultimately bills FEMA for the costs paid for all approved projects.

Applicants other than Military or other state agencies are considered subrecipients of the awards. As such, FEMA requires Military to perform subrecipient monitoring procedures. As part of the subrecipient monitoring, Military is required to ensure subrecipients submit single audits to the Federal Audit Clearinghouse (FAC) within either 30 calendar days after receiving the reports or 9 months after the end of the subrecipient's year-end, whichever is earlier. If the subrecipient's single audit includes a finding for the subaward, Military then has 6 months to issue a management decision to the subrecipient. To comply with these requirements, Military must have sound procedures to routinely search for single audits, identify and document subrecipients who should and should not receive an audit, and follow up with subrecipients when audits are not submitted timely.

During the audit period, staff used a list of all open and executed Military agreements with applicants to create a list of all subrecipients to use as a basis for monitoring audits. Staff then searched for single audits or other audits on the Tennessee Comptroller of the Treasury's website for each subrecipient included on the list. Staff reviewed the audit results and documented the total federal expenditures reported in the audit on the list.

In addition to the audit report monitoring, Military also performs more detailed monitoring, such as reviewing documentation to ensure funds were used for allowable purposes for a portion of the program's subrecipients. Management selects subrecipients based on a risk assessment. The risk assessment includes several factors, such as subrecipient experience with similar subawards and prior audit results.

Management's review of subrecipient single audit reports is an important part of overall subrecipient monitoring. It allows management to leverage work performed by the subrecipients' external auditors to help management ensure subawards are used for authorized purposes.

CONDITION AND CAUSE

From the list of subrecipients with detailed monitoring, we selected a sample of 40 subrecipients to determine if Military had fulfilled its subrecipient monitoring responsibilities. Through our gaining an understanding of the subrecipient monitoring process and our testwork, we determined that Military's subrecipient monitoring process was not adequate to ensure it met the federal requirements regarding subrecipient single audits. We noted the following six specific internal control weaknesses in Military's procedures.

- Military used an incorrect website to confirm compliance with audit requirements.
- Military did not have adequate procedures to determine if a subrecipient was required to have an audit.
- Military's procedures used to identify subrecipients did not identify all subrecipients.
- Management does not have a process to perform routine searches for audit reports.

- Management could not provide complete documentation of its audit report review.
- Management did not adequately document its review of subrecipients included in parent entity single audits.

Military Used an Incorrect Website to Confirm Compliance With Audit Requirements

Management used the Comptroller’s website to confirm that subrecipients submitted audits, but management should have verified this information on the FAC’s website. While the Comptroller’s website is a tool for gathering information about subrecipients, the federal requirements described in this finding require the subrecipients to submit audit reports to the FAC. Because subrecipients may have an audit on the Comptroller’s website but not on the FAC’s website, Military was unable to determine compliance.

Military Did Not Have Adequate Procedures to Determine if a Subrecipient Was Required to Have an Audit

Military did not determine if all identified subrecipients on the list of all subrecipients were required to have a single audit. Instead, if staff could not locate a single audit, they did not update the “Date of Audit Monitoring” column.

Our testwork revealed that monitoring procedures for 10 of 40 subrecipients (25%) tested were not adequate:

- For 7 of the subrecipients tested, the “Date of Audit Monitoring” field was not updated, and there was no evidence that management had determined if the lack of an audit was due to the subrecipient’s failure to obtain an audit or if the subrecipient was not required to have an audit because they did not exceed \$750,000 of federal award expenditures. Five subrecipients had blank entries in the “\$750K verification” column and the other two had amounts exceeding \$750,000, but these amounts were for old single audits. None of the 7 had current audits in the FAC.
- For an additional 3 subrecipients tested, the “Date of Audit Monitoring” field included a date for a current period review, but the subrecipient did not have a current audit in the FAC. Since there were no current audits in the FAC, we were not able to determine which audits management reviewed. Additionally, for 2 of the subrecipients, management recorded expenditures exceeding \$750,000 in the “\$750K verification” column, suggesting that an audit of the subrecipient may be required.

Military’s Procedures Used to Identify Subrecipients Did Not Identify All Subrecipients

As noted above, an applicant applies for a subaward from FEMA before entering into an agreement with Military, which could be months later. This process may result in an applicant reporting expenses in the fiscal year before the Military agreement is in place. Because Military creates its audit report

monitoring list based on its open and executed agreements, not a list of FEMA awards, Military may not recognize all applicants as subrecipients.

By searching the FAC for entities in Tennessee with findings pertaining to this program, we found one subrecipient that Military had not identified. FEMA approved the applicant's award in April 2020, but Military did not have an agreement with the applicant until the following fiscal year in December 2021. We noted two instances of noncompliance because Military did not identify this applicant as a subrecipient:

- Military had not issued a management decision on the subrecipient's audit finding as of October 23, 2023, almost five months late.
- FAC did not receive the subrecipient's June 30, 2021, single audit report until November 28, 2022, almost eight months after the due date.

During fieldwork, we became aware of two additional subrecipients not included on the audit report monitoring list. Management could not explain why the two subrecipients were not on the monitoring list.

Management Does Not Have a Process to Perform Routine Searches for Audit Reports

According to the list of all subrecipients, most of the audit reports were reviewed in April, May, and June, although subrecipients submit reports to the FAC throughout the year. Our testwork revealed that Military did not review two subrecipients' audit reports timely.

One subrecipient's June 30, 2022, single audit was released to the FAC on October 13, 2022, but Military did not review the report until June 5, 2023. If the audit had contained findings, management would not have been able to issue a management decision within the required timeframe.

In the other instance, Military did not ensure that one subrecipient's June 30, 2021, single audit was submitted timely. The audit report was due on March 31, 2022, but was not released to FAC until November 4, 2022.

Management Could Not Provide Complete Documentation of Its Audit Report Review

Military either did not document or update the date the audit report was reviewed for 12 of the 40 subrecipients (30%) tested. Since management included total Schedule of Expenditures of Federal Awards amounts that matched the current year's single audit report on the list, we determined there was evidence that Military completed the audit report monitoring for these subrecipients, but we were not able to ascertain when the review occurred. The Program Monitor did not know why dates were not included or were not updated.

Management Did Not Adequately Document Its Review of Subrecipients Included in Parent Entity Single Audits

Two of the subrecipients in our sample of 40 were utility departments for a local government. These entities' activities were included in the local government's audit instead of a separate audit of the utility department. Military reviewed the audit report for the parent for one of the local governments; however, Military did not review the other local government report. In both instances, management did not document which parent entity's audit report was reviewed.

CRITERIA

As the pass-through entity, Military is required by Title 2, *Code of Federal Regulations* (CFR), Part 200, Section 332(f), to verify that all subrecipients that spend \$750,000 or more of federal awards obtain a single audit. According to 2 CFR 200.512(a)(1), the audit must be submitted to the FAC

within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.

2 CFR 200.521(d) states that

The Federal awarding agency or pass-through entity responsible for issuing a management decision must do so within six months of acceptance of the audit report by the FAC.

EFFECT

When management does not obtain and review subrecipients' single audit results as required by federal regulations, including single audit findings, the risk increases that management will not promptly identify subrecipients' noncompliance and control deficiencies so that corrective action can be achieved.

When management does not track subrecipients for exceeding the single audit threshold, has procedures that do not identify all subrecipients, or does not perform routine searches of single audits, management is hindered in issuing timely management decisions when necessary and in its ability to timely identify and follow up with subrecipients that fail to submit audits timely. In addition, not updating the date of the audit report review creates questions about whether management completed the audit report monitoring for the subrecipient.

For subrecipients included in parent governments' single audits, not documenting or understanding the inclusion of those subrecipients in larger government single audits increases the risk that management will not become aware of findings related to the subrecipient and will not be able to issue management decisions timely.

When staff do not use the FAC to confirm audits are submitted, the risk increases that Military will not timely detect subrecipients that have not submitted to the FAC.

Additionally, federal regulations address actions that federal agencies may impose if a state entity does not comply with the U.S. Constitution, federal statutes, regulations, or the terms and conditions of a federal award. According to 2 CFR 200.208(c), “Specific conditions,” these actions may include the following:

- not allowing the agency to proceed to the next phase until it submits evidence of acceptable performance;
- requiring additional, more detailed financial reports or additional project monitoring;
- requiring the agency to obtain technical or management assistance; or
- establishing other prior approvals.

If the federal agency determines the state agency cannot remedy its noncompliance through the above actions, 2 CFR 200.339, “Remedies for noncompliance,” outlines additional actions the federal agency may take. Depending on the circumstances, these actions may include the following:

- temporarily withholding payments until the noncompliance has been corrected,
- denying the use of funds,
- partly or fully suspending or terminating the federal award,
- suspending or debaring the agency,
- withholding further awards for the project or program, or
- pursuing other available legal remedies.

RECOMMENDATION

Management should update the process to identify subrecipients to ensure the audit report monitoring list includes all subrecipients for the monitoring cycle. Management should develop a procedure for tracking subrecipients’ expenditures to evaluate whether they exceed the single audit threshold requiring an audit. Additionally, the tracking should include determining the financial relationship between the entities since some applicants are audited as a part of a local government.

Management should improve the audit monitoring process by adequately documenting the date a single audit is reviewed. The monitoring should include a search for single audits in the Federal Audit Clearinghouse and a monthly or quarterly search for the released single audits to ensure timeliness in audit releases and any possible management decisions. The monitoring should reference the tracking of subrecipients' expenditures for identification of the subrecipients who are required to have a single audit.

MANAGEMENT'S COMMENT

We concur. Our team is developing written procedures for evaluating the website to determine if a single audit is required. These procedures will outline the criteria for conducting the evaluation, the individuals responsible for performing the assessment, and the frequency of the evaluation. Written procedures will include bookmarking the correct website for all future evaluations.

Management is researching training capabilities with outside resources to gain more extensive knowledge about the audit criteria requirements and how to evaluate the Federal Audit Clearinghouse website. We will provide training to relevant staff members on the newly established procedures to ensure they understand their roles and responsibilities in evaluating the website for single audit requirements. We will conduct a review of the website in accordance with the new procedures to determine if a single audit is required for the current fiscal year and document the results of this evaluation for audit trail purposes.

Program Monitoring management will work with the Tennessee Emergency Management Agency (TEMA) on gaining proper reporting criteria within the Federal award scope versus state agreement elements. In addition, we will work internally to build a parent/child relationship hierarchy for the federal awards to ensure thresholds are properly evaluated.

Finally, we will implement a process for regular review and update of the procedures to ensure they remain relevant and effective in identifying the need for a single audit.

We are committed to improving our internal controls and procedures to ensure compliance with audit requirements.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

UNIVERSITY OF TENNESSEE

Finding 2023-028: The university's Knoxville campus did not perform a risk assessment for its information security program as required by the Gramm-Leach-Bliley Act

Finding 2023-029: The University of Tennessee – Knoxville Office of Financial Aid and Scholarships did not adequately monitor the eligibility of Title IV financial aid recipients

Finding 2023-030: The University of Tennessee Health Science Center Financial Aid Office did not adequately monitor the eligibility of Title IV financial aid recipients

Finding Number	2023-028
Assistance Listing Number	84.007, 84.033, 84.063, and 84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	University of Tennessee
Federal Award	23P007A223937, P033A223937, P063P222250, and
Identification Number	P268K23250
Federal Award Year	2022 and 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Special Tests and Provisions
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

The university's Knoxville campus did not perform a risk assessment for its information security program as required by the Gramm-Leach-Bliley Act

CONDITION AND CAUSE

The *Standards for Safeguarding Customer Information*, established by the Gramm-Leach-Bliley Act (GLBA), requires institutions to safeguard sensitive data, which includes information obtained in support of the administration of the federal financial assistance programs.

While management at the university's Knoxville campus has taken steps to comply with the GLBA, management did not conduct a written risk assessment to identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of students' information, as required by GLBA.

Campus management has purchased a risk assessment software solution, and they plan to complete a written risk assessment in early 2024.

Because the current Chief Information Security Officer began employment subsequent to the audit period, he was unable to determine why former leadership did not conduct this risk assessment.

CRITERIA

According to the “Standards for Safeguarding Customer Information,” Title 16, *Code of Federal Regulations*, Part 314, Section 3(a), “you shall develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts.”

Additionally, according to 16 CFR 314.4(b), the institution must

Base your information security program on a risk assessment that identifies reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information, and assesses the sufficiency of any safeguards in place to control these risks.

- (1) The risk assessment shall be written and shall include:
 - (i) Criteria for the evaluation and categorization of identified security risks or threats you face;
 - (ii) Criteria for the assessment of the confidentiality, integrity, and availability of your information systems and customer information, including the adequacy of the existing controls in the context of the identified risks or threats you face; and
 - (iii) Requirements describing how identified risks will be mitigated or accepted based on the risk assessment and how the information security program will address the risks.
- (2) You shall periodically perform additional risk assessments that reexamine the reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information, and reassess the sufficiency of any safeguards in place to control these risks.

EFFECT

Not performing a risk assessment for its information security program as required by the GLBA increases the risk that the campus’s information technology safeguards may not align with the risks the campus faces. As a result, students’ financial information could be more susceptible to unauthorized disclosure, misuse, alteration, destruction, or other compromise. Risk assessments are essential to designing and implementing appropriate safeguards that address internal and external threats to the campus’s information technology resources.



RECOMMENDATION

Management should develop, implement, and maintain a comprehensive information security program based on a documented risk assessment. The risk assessment should identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of student information, as required by the Gramm-Leach-Bliley Act.

MANAGEMENT'S COMMENT

Management concurs that the Knoxville campus did not perform a formal written risk assessment of the controls related to financial aid systems, as required by the Gramm-Leach-Bliley Act. As noted in the audit finding, management at the Knoxville campus has taken significant steps to comply with the GLBA. Additionally, Knoxville campus management performed a non-documented risk assessment which complied with GLBA.

Finding Number	2023-029
Assistance Listing Number	84.063 and 84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	University of Tennessee
Federal Award	
Identification Number	P063P222250 and P268K23250
Federal Award Year	2022 and 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Eligibility
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
84.063	P063P222250	\$4,821
84.268	P268K23250	\$136,014



FINDING

The University of Tennessee – Knoxville Office of Financial Aid and Scholarships did not adequately monitor the eligibility of Title IV financial aid recipients

BACKGROUND

The Student Financial Assistance programs provide financial assistance to eligible students attending eligible institutions of postsecondary education. The programs include assistance such as Pell Grants, Direct Loans, and Federal Work Study.

To be eligible for student financial assistance, the student must first complete the Free Application for Federal Student Aid (FAFSA). Each school listed on a student’s FAFSA will receive the student’s Student Aid Report. Each school then notifies the student of their total aid package.

The U.S. Department of Education (ED) has established certain requirements for each school to participate in the student financial assistance programs. Some of the responsibilities of the school are to determine student eligibility, verify data for students selected for verification by the Secretary, and ensure maximum assistance amounts established by ED are not exceeded individually or as part of the total aid package. Title 34, *Code of Federal Regulations* (CFR), Part 668, Section 164(b)(3), states, “At

the time a disbursement is made to a student for a payment period, an institution must confirm that the student is eligible for the type and amount of Title IV, HEA program funds identified by that disbursement.” Students must also meet certain requirements, such as certain income levels and maintaining a certain grade point average, to be eligible for Title IV assistance.

CONDITION, CAUSE, AND CRITERIA

The University of Tennessee’s Office of Financial Aid and Scholarships did not adequately monitor the eligibility of Title IV financial aid recipients. We reviewed the entire population of 14,260 students enrolled at The University of Tennessee – Knoxville who received Title IV student financial assistance during the 2022–2023 award year. Of the 14,260 students, 17 students (0.12%) received excess financial aid based on their eligibility, resulting in overpayments totaling \$140,835.

- The university provided Title IV funding to 5 students enrolled in ineligible programs. Three of the 5 students had completed 60 hours in an eligible non-degree-seeking program and had not transferred to a degree-seeking or other eligible program. The remaining 2 students did not complete the required “non-degree” appeal form in order to receive Title IV funds while enrolled in an Advanced Transition program. According to management, students are allowed to be enrolled in a University Early Transition program up to 60 hours before being required to declare a major. If the student reaches 60 hours before declaring a major, that student is moved to the Advanced Transition program and is no longer eligible for Title IV funds. These errors occurred because the university had not configured its Banner system to verify the number of completed hours before payment, and management did not properly monitor the students’ accounts. Additionally, the Advanced Transition program for the remaining 2 students does not qualify for Title IV funds without a “non-degree” waiver in place. Financial aid staff instructed students to complete the form, but staff did not verify that students completed the form before awarding funds. Therefore, staff incorrectly awarded the following funds:

Program	Amount
Pell	\$ 4,821
Subsidized Direct Loans	8,659
Unsubsidized Direct Loans	3,959
Direct PLUS Loans	20,878

- The university awarded Subsidized Direct Loans and Unsubsidized Direct Loans to five ineligible students because management incorrectly classified their grade levels in the Banner system. 34 CFR 668.203 sets the annual Direct Loan limits based on the student’s dependency status and grade level. Volume 3, Chapter 5, of the *Federal Student Aid Handbook* states that it is the responsibility of the university to verify that the student’s information is accurate before disbursing Title IV funds. Financial aid staff did not

properly verify the information in Banner before disbursing funds; therefore, staff incorrectly awarded the following funds:

Program	Amount
Subsidized Direct Loans	\$15,290
Unsubsidized Direct Loans	927

- The university awarded \$66,017 of Unsubsidized Direct Loan funds to six students even though the students had already reached their aggregate loan limit. 34 CFR 668.32 states that a student is eligible to receive Direct Loans, except as provided in 34 CFR 668.35(d), if the student has not obtained loan amounts in excess of the program’s annual or aggregate loan limits. 34 CFR 668.35(d) states that a student who has received loan funds exceeding the annual or aggregate loan limits must either repay the excess amount in full or arrange with the lender to repay the excess loan amount before they may receive any further Title IV assistance, including Pell grants. The university did not provide documentation that payment arrangements had been made that would permit the students to regain eligibility for Title IV loans. These errors occurred because financial aid staff did not properly monitor the outstanding loan amounts previously awarded to the student.
- The university awarded \$20,284 in Unsubsidized Direct Loans to one student although the student was in default on previous Title IV financial aid. 34 CFR 668.19(a)(d) states that if the student previously attended another institution, the institution must determine if the student is in default on any Title IV loan. This error occurred because financial aid staff did not properly monitor the status of outstanding loans previously awarded to the student.

EFFECT

Because financial aid staff did not properly monitor student eligibility and enter student information correctly, students received Title IV assistance for which they were not eligible. Pell Grant overpayments of \$4,821 and Direct Loan overpayments of \$136,014 will be questioned.

When the university disburses Title IV funds to which students were not entitled, ED could take adverse actions against the university.

Program	Over-Award	Total Award
Pell Grants	\$4,821	\$30,169,717
Direct Subsidized Loans	\$23,949	\$21,794,724
Direct Unsubsidized Loans	\$91,187	\$71,108,536
Direct Plus Loans	\$20,878	\$50,698,492
TOTAL	\$140,835	\$173,771,469



RECOMMENDATION

Office of Financial Aid and Scholarships management should ensure staff and student advisors properly confirm the eligibility of Title IV recipients prior to the awarding and disbursement of Title IV funds. The university should implement controls to ensure appropriate staff monitor recipients' enrollment in eligible programs, adherence to annual and aggregate loan limits, and whether students are in default on previous loans.

MANAGEMENT'S COMMENT

Management concurs. The UTK Office of Financial Aid & Scholarships experienced significant administrative staffing transitions related to the areas of eligibility noted in the finding. The staffing changes, combined with the manual nature of the noted processes, resulted in eligibility errors related to enrollment, grade level, loan status, and aid disbursement. Additional staff training and automated processes in the Banner Financial Aid System are being implemented to provide greater quality controls to review aid eligibility prior to and following aid disbursement. The Financial Aid review process for academic changes for non-degree status and degree major changes administered by the academic colleges is also being automated and reviewed periodically throughout each semester to ensure proper disbursement of aid. Management notes the total over award of \$140,835 represents a fractional 0.08% of the total Title IV funds awarded of \$173,771,469 by the institution.

Finding Number	2023-030
Assistance Listing Number	84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	University of Tennessee
Federal Award	
Identification Number	P268K232842
Federal Award Year	2022 and 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Eligibility
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	\$75,092



FINDING

The University of Tennessee Health Science Center Financial Aid Office did not adequately monitor the eligibility of Title IV financial aid recipients

BACKGROUND

The Student Financial Assistance programs provide financial assistance to eligible students attending institutions of postsecondary education. The programs include assistance such as Pell Grants, Direct Loans, and Federal Work Study.

To be eligible for student financial assistance, the student must first complete the Free Application for Federal Student Aid (FAFSA). Each school listed on a student’s FAFSA will receive the student’s Student Aid Report. The school then notifies the student of their total aid package.

The U.S. Department of Education (ED) has established certain requirements for each school to participate in the student financial assistance programs. Some of the responsibilities of the school are to determine student eligibility, verify data for students selected for verification by the Secretary, and ensure maximum assistance amounts established by ED are not exceeded individually or as part of the total aid package. Title 34, *Code of Federal Regulations* (CFR), Part 668, Section 164(b)(3), states, “At the time a disbursement is made to a student for a payment period, an institution must confirm that the student is eligible for the type and amount of Title IV, HEA program funds identified by that disbursement.” Students must also meet certain requirements, such as certain income levels and maintaining a certain grade point average, to be eligible for Title IV assistance.

CONDITION, CAUSE, AND CRITERIA

The University of Tennessee Health Science Center’s Financial Aid Office did not adequately monitor the eligibility of Title IV financial aid recipients. We reviewed the entire population of 2,195 students enrolled at the University of Tennessee Health Science Center who received Title IV student financial assistance during the 2022–2023 award year. Of the 2,195 students, 8 students (0.36%) received excess financial aid based on their eligibility, resulting in overpayments totaling \$75,092.

- The university provided Title IV funding to four students even though they had already reached their aggregate loan limit, causing them to be ineligible for Direct Loans. 34 CFR 668.32(g) states that a student is eligible to receive Direct Loans, except as provided in 34 CFR 668.35(d), if the student has not obtained loan amounts in excess of the program’s annual or aggregate loan limits. 34 CFR 668.35(d) states that a student who has received loan funds exceeding the annual or aggregate loan limits must either repay the excess amount in full or arrange with the lender to repay the excess loan amount before they may receive any further Title IV assistance, including Pell Grants. The university did not provide documentation of these arrangements. Because Financial Aid Office staff did not properly monitor the outstanding loan amounts previously awarded to the student, the university made the following awards in violation of federal regulations:

Program	Amount
Unsubsidized Direct Loans	\$54,262
Direct Plus Loans	8,271

- The university awarded Pell Grant and Direct Loan funds to four students without verifying the students’ GPA met the criteria for satisfactory academic progress. 34 CFR 668.34(a) requires institutions that participate in Title IV programs to “establish a reasonable satisfactory academic progress policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the title IV, HEA programs.” While the university has a Satisfactory Academic Progress Policy in place, the university did not adhere to the policy requirement to verify a readmitted student’s academic standing before awarding funds.

Because Financial Aid Office staff did not properly verify the students’ information before disbursing funds, the university awarded the following funds in violation of federal requirements:

Program	Amount
Subsidized Direct Loans	\$7,362
Unsubsidized Direct Loans	5,197

EFFECT

Because Financial Aid Office staff did not properly monitor student eligibility, students received Title IV assistance for which they were not eligible. Direct Loan overpayments of \$75,092 will be questioned.

When the university disburses Title IV funds to students to which they were not entitled, ED could take adverse actions against the university.

Program	Over-Award	Total Award
Pell Grants	\$ 0	\$ 205,001
Subsidized Direct Loan	7,362	707,876
Unsubsidized Direct Loan	59,459	64,510,935
Direct Plus Loan	8,271	24,588,980
Total	\$75,092	\$90,012,792



RECOMMENDATION

Financial Aid Office management should ensure that staff and student advisors properly confirm the eligibility of Title IV recipients prior to the awarding and disbursement of Title IV funds. The university should implement controls to ensure appropriate staff monitor recipients' adherence to annual and aggregate loan limits and satisfactory academic progress.

MANAGEMENT'S COMMENT

Management concurs with the finding. The excess financial aid awarded to the students will be removed from their respective student accounts and returned to the Department of Education. Management notes that the finding was restricted to the College of Nursing, and attributable to human error and lack of backup measures. Management further notes the total over award of \$75,092 represents a fractional 0.08% of the total Title IV funds awarded of \$90,012,792 by the institution. Management has already addressed the issue by hiring a new financial aid counselor with the appropriate training and experience.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

UNIVERSITY OF MEMPHIS

Finding 2023-031: The University of Memphis Office of Student Financial Aid and Scholarships did not adequately monitor the eligibility of Title IV financial aid recipients

Finding Number	2023-031
Assistance Listing Number	84.007, 84.063, and 84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	University of Memphis
Federal Award	
Identification Number	P007A223902, P063P220380, and P268K230380
Federal Award Year	2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Eligibility
Repeat Finding	N/A
Pass-Through Entity	N/A

Questioned Costs

Assistance Listing Number	Federal Award Identification Number	Amount
84.007	P007A223902	\$150
84.063	P063P220380	\$1,724
84.268	P268K230380	\$31,479



FINDING

The University of Memphis Office of Student Financial Aid and Scholarships did not adequately monitor the eligibility of Title IV financial aid recipients

BACKGROUND

The Student Financial Assistance programs provide financial assistance to eligible students attending institutions of postsecondary education. The programs include assistance such as Pell Grants, Direct Loans, and Federal Work Study.

To be eligible for student financial assistance, the student must first complete the Free Application for Federal Student Aid (FAFSA). Each school listed on a student's FAFSA will receive the student's Student Aid Report. The schools then notify the student of their total aid package.

The U.S. Department of Education (ED) has established certain requirements for each school to participate in the student financial assistance programs. Some of the responsibilities of the school are to determine student eligibility, verify data for students selected for verification by the Secretary, and ensure maximum assistance amounts established by ED are not exceeded individually or as part of the

total aid package. Title 34, *Code of Federal Regulations* (CFR), Part 668, Section 164(b)(3), states, “At the time a disbursement is made to a student for a payment period, an institution must confirm that the student is eligible for the type and amount of Title IV, HEA program funds identified by that disbursement.” Students must also meet certain requirements, such as certain income levels and maintaining a certain grade point average, to be eligible for Title IV assistance.

CONDITION, CAUSE, AND CRITERIA

The University of Memphis Office of Student Financial Aid and Scholarships did not adequately monitor the eligibility of Title IV financial aid recipients. We reviewed the entire population of 12,290 students enrolled at the University of Memphis who received Title IV student financial assistance during the 2022–2023 award year. Of the 12,290 students, 20 students (0.16%) received excess financial aid based on their eligibility, resulting in overpayments totaling \$33,353.

- The university awarded Title IV funds to four students even though the students had already reached their aggregate loan limits. 34 CFR 668.32 states that a student is eligible to receive Direct Loans, except as provided in 34 CFR 668.35(d), if the student has not obtained loan amounts in excess of the program’s annual or aggregate loan limits. 34 CFR 668.35(d) states that a student who has received loan funds exceeding the annual or aggregate loan limits must either repay the excess amount in full or arrange with the lender to repay the excess loan amount before they may receive any further Title IV assistance, including Pell Grants. The university did not provide documentation that payment arrangements had been made that would permit the students to regain eligibility for Title IV loans. These errors occurred because Office of Financial Aid and Scholarships staff did not properly monitor the outstanding loan amounts previously awarded to the students. Therefore, the university awarded the following funds incorrectly:

Program	Amount
Pell	\$1,724
Subsidized Direct Loans	8,426

- The university awarded 14 students Title IV assistance that, when combined with other sources of financial aid, exceeded the students’ cost of attendance. 34 CFR 685.203(j) prohibits Direct Subsidized, Direct Unsubsidized, or Direct PLUS loans to exceed the student’s estimated cost of attendance minus other expected financial aid; Volume 6, Chapter 2, of the 2023–2024 *Federal Student Aid Handbook* further clarifies that “. . . a financial aid administrator may not award FWS employment to a student if that award, when combined with all other resources, would exceed the student’s need.” These errors occurred due to the timing of additional scholarships and aid being added; the additional awards were paid out after the Title IV funds were awarded and not adjusted for the

additional aid. Therefore, the University of Memphis made the following awards in violation of federal regulations.

Program	Amount
Subsidized Direct Loans	\$21,217
Unsubsidized Direct Loans	1,836

- The university awarded one student a \$150 Federal Supplemental Educational Opportunity Grant (FSEOG) payment even though the student had reached the Pell Lifetime Eligibility Used. 34 CFR 676.10(a) states that when selecting eligible students for each award year, “. . . an institution shall select those students with the lowest expected family contributions who will also receive Federal Pell Grants in that year.” This error occurred due to management not properly verifying Pell eligibility when determining which students would be awarded FSEOG funds.
- In addition to the above errors, the university awarded one student \$30 in FSEOG funds. As stated in 34 CFR 676.20(a), “an institution may award an FSEOG for an academic year in an amount it determines a student needs to continue his or her studies. However, except as provided in paragraph (c) of this section, an FSEOG may not be awarded for a full academic year that is (1) Less than \$100; or (2) More than \$4,000.” This error occurred due to human error and oversight.

EFFECT

Because Office of Financial Aid and Scholarships staff did not properly monitor student eligibility and enter student information, ineligible students received federal financial aid payments. Direct Loan overpayments, Pell Grant overpayments, and FSEOG overpayments of \$33,353 will be questioned.



RECOMMENDATION

The Office of Financial Aid and Scholarships management should ensure that staff and student advisors properly confirm the eligibility of Title IV recipients prior to disbursement of Title IV funds. Controls should be in place to monitor enrollment changes, recipients’ enrollment in eligible programs, adherence to annual and aggregate loan limits, and satisfactory academic progress.

MANAGEMENT’S COMMENT

We concur with the finding and recommendation.

Management will be conducting additional training with staff responsible for making awards to confirm Title IV aid eligibility and ensure aid amounts do not exceed limits. Reports will be modified to help better identify and correct potential issues that may arise through human error. Finally, additional staff will be charged with monitoring the updated reports to ensure issues are promptly resolved. These actions should create a multi-layered system of controls minimizing the likelihood of non-compliance.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

AUSTIN PEAY STATE UNIVERSITY

Finding 2023-032: Austin Peay State University did not post quarterly reports to the institution's website in compliance with federal guidance for the Higher Education Emergency Relief Fund

Finding 2023-033: Austin Peay State University did not have adequate procedures to prevent, or to detect and correct, errors in enrollment reporting

Finding Number	2023-032
Assistance Listing Number	84.425F and 84.425M
Program Name	Education Stabilization Fund
Federal Agency	Department of Education
State Agency	Austin Peay State University
Federal Award	P425F202674 and P425M200147
Identification Number	
Federal Award Year	2020 through 2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Reporting
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

Austin Peay State University did not post quarterly reports to the institution’s website in compliance with federal guidance for the Higher Education Emergency Relief Fund

BACKGROUND

The Coronavirus Aid, Relief, and Economic Security Act established the Higher Education Emergency Relief Fund (HEERF) to provide relief to colleges and universities that had been affected by the coronavirus pandemic. The Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act provided additional waves of funding for the program. Since the inception of HEERF, Austin Peay State University (the university) has spent \$61,230,968 in HEERF funds. During fiscal year 2023, the university only spent funds from the American Rescue Plan since funding from the first two waves was exhausted in previous years.

CONDITION, CAUSE, AND CRITERIA

The university did not have an effective system of internal controls, such as written policies and procedures or a reporting notification system, to ensure the university posted federal quarterly reports timely to the institution’s website.

We tested all 4 quarterly HEERF reports for the year ended June 30, 2023. We found that the university did not post 3 of 4 (75%) “Quarterly Budget and Expenditure Reporting for all HEERF I, II, and III grant funds” reports within 10 calendar days after the end of the quarter in compliance with federal guidance. Based on the auditor’s inspection of the reports and review of the dates posted per

the IT Webmaster, university management posted the reports to the university’s website between 8 and 99 days late for the quarters ending September 30, 2022; March 31, 2023; and June 30, 2023.

Question 36 of the *American Rescue Plan Act of 2021, Higher Education Emergency Relief Fund III, Frequently Asked Questions*, updated October 25, 2022, states, “. . . this [report] must be conspicuously posted on the institution’s website no later than 10 days after the calendar quarter (January 10, April 10, July 10, and October 10) as long as the institution’s HEERF grant is active.”

Based on discussions with the Associate Vice President of Budget and Finance, the university was short-staffed when the former Associate Vice President for Finance left in November 2022. She stated that the university did not have good records to follow, and the lack of continuity caused deadlines to be missed. As duties were reassigned, university leadership determined that reports were late and worked to resolve the backlog.

EFFECT

If the university does not ensure timely reporting, the U.S. Department of Education (ED) may impose further restrictions on the university, such as requiring additional monitoring or requiring the entity to obtain assistance from technical or management experts. ED may also temporarily withhold payments until the noncompliance has been corrected. In addition, not meeting the federal reporting requirements increases the likelihood that the public will not have access to transparent and accurate information regarding the university’s expenditures of federal awards.



RECOMMENDATION

Management should design and implement an effective system of internal controls, including written policies and procedures for all federal agency reporting. In addition, management should consider establishing a reporting notification system for federal grants to ensure timely reporting.

MANAGEMENT’S COMMENT

We concur with the finding. Upon becoming aware of the absence of the fiscal year 2023 reports on the website, our accounting staff promptly rectified the oversight. Furthermore, it is pertinent to note that the HEERF grants will conclude in June 2024, thereby relieving the university of the obligation to continually update the website with new reports. We are reviewing software solutions to support the Grants Office for reporting and compliance.

Finding Number	2023-033
Assistance Listing Number	84.063 and 84.268
Program Name	Student Financial Assistance Cluster
Federal Agency	Department of Education
State Agency	Austin Peay State University
Federal Award	
Identification Number	P063P212217 and P268K222217
Federal Award Year	2023
Finding Type	Significant Deficiency and Noncompliance
Compliance Requirement	Special Tests and Provisions
Repeat Finding	N/A
Pass-Through Entity	N/A
Questioned Costs	N/A



FINDING

Austin Peay State University did not have adequate procedures to prevent, or to detect and correct, errors in enrollment reporting

BACKGROUND

The Student Financial Assistance programs provide financial assistance to eligible students attending institutions of postsecondary education. The programs include assistance such as Pell Grants, Direct Student Loans, and Federal Work Study.

The U.S. Department of Education (ED) has established certain requirements for each school to participate in the student financial assistance programs. For students who receive Pell Grants or Direct Loans, ED requires institutions to report enrollment status for each term, as well as changes to enrollment, such as graduations, withdrawals, and transitions between full- and part-time status, to the National Student Loan Data System (NSLDS), which is ED's central database for federal student aid.

CONDITION, CRITERIA, AND CAUSE

We tested a sample of 26 Pell recipients and Direct Loan borrowers at Austin Peay State University (the university) who had a status change during the year. We found that for 10 of 26 students tested (38.5%), the registrar's office incorrectly reported high-risk enrollment reporting data elements. The information for 2 of these students contained multiple errors. The registrar's office misreported the following data elements for the students:

- enrollment status,
- program beginning date,
- program length, and
- program level Office of Postsecondary Education Identification (OPEID) number.

Incorrect Enrollment Status

The registrar's office incorrectly reported the program enrollment status for 6 of the 10 students.

- One student was enrolled in the first and second spring terms for a total of seven credit hours, which is considered half-time; however, the registrar's office incorrectly reported the student's program enrollment status as less than half-time because staff did not include the hours taken in the second spring term. In addition, the registrar did not report the student's withdrawal from an associate's degree program when the student changed to a bachelor's degree program on March 7, 2023. When the system updated the active associate's degree status, the system applied the spring term as the end term. As a result, the system continued to report the associate's degree with an active status until the full spring term ended, even though the status should have changed to inactive after March 7, 2023. Chapter 4.2.1 of the NSLDS *Enrollment Reporting Guide*, issued November 2022, states, "Whenever a student changes majors, the school should report the student as withdrawn from the previous program and enrolled in the new program on the next enrollment submission. . . . Additionally, if the student is enrolled in the same unique program multiple times, Schools should only report one version of the program with the earliest Program Begin Date." The registrar's office did not have a manual process to verify the proper program status for mid-term status changes.
- The registrar's office improperly updated two students' program enrollment statuses in NSLDS to withdrawn when the students completed the spring term, enrolled in the summer term, and subsequently withdrew from the summer term. ED's electronic announcement, "(General) Subject: Summer Term Enrollment Reporting to the National Student Loan Data System (NSLDS)," posted on April 20, 2017, states, "If such a student subsequently withdraws from the summer term, the student's most recent enrollment status of half time or greater should be reported throughout the remainder of the summer." The registrar was unaware of the unique summer enrollment reporting guidance for student withdrawals.
- The registrar's office did not update the program enrollment status in the university's system for three students when the students graduated from the program, causing the program status to incorrectly show as active in NSLDS as of December 14, 2024. Two of the students graduated on May 5, 2023, and the third student graduated on May 21, 2023. The registrar's office reported the graduated status for the program in the National Student Clearinghouse; however, the university's system retained the active status because the

student was also enrolled in another program. The *NSLDS Enrollment Reporting Guide*, Chapter 4.4.4, states, “A school must correctly report students who have completed a program with a ‘G’ for ‘Graduated’ status rather than a ‘W’ for ‘Withdrawn’. Further, an accurately anticipated completion date aids in correct servicing of a student’s loans, avoiding unnecessary early conversion to repayment or too late conversion, causing technical defaults.” Management stated that the university does not have a process to report the graduated program status when a student is enrolled in another active program. As a result, the registrar’s office continued to report the graduated program as active with the students’ current enrollment status information for the other program.

Incorrect Program Beginning Date

The registrar’s office reported the incorrect beginning date of the program of study for 2 students who changed programs during the year. Staff reported the program’s beginning date between 877 and 980 days after the appropriate term start date. The *NSLDS Enrollment Reporting Guide*, Chapter 4.4.8, states, “The Program Begin Date is the date the student first began attending the program being reported. Typically, this would be the first day of the term in which the student began enrollment in the program, unless the student enrolled in the program on an earlier date.” When a student already enrolled in a program changes to a new program, the prior program should be withdrawn and a new program reported. The program’s beginning date should be the date the student directly began attending the program being reported.

Based on discussions with the registrar, she thought the program beginning date only mattered for the credential level and did not know that changes in the field of study would generate a new beginning date. The registrar’s office could not explain where the selected program beginning dates originated for these students.

Incorrect Program Length

The registrar’s office reported the program length as 4.5 years rather than 4.0 years for the Radiologic Science bachelor’s degree for 1 of the 10 students. Title 34, *Code of Federal Regulations*, Part 668, Chapter 41(a), defines normal time as “the amount of time necessary for a student to complete all requirements for a degree or certificate according to the institution’s catalog. This is typically four years for a bachelor’s degree in a standard term-based institution.” The registrar’s office had set up a general rule in the institution’s information system to assign any program with more than 120 credit hours with a completion length greater than 4 years. The Radiologic Science bachelor’s degree requires 121 credit hours; however, the program is completed in 4 years. The registrar’s office does not have a manual process to confirm the accuracy of the general rule.

Incorrect Program Level OPEID Number

For three students, the registrar’s office reported the OPEID number for the main campus, rather than the OPEID number for the campus location where the student attended classes. The *NSLDS Enrollment Reporting Guide*, Chapter 4.1, states, “Enrollment is reported for a specific location of each

campus; that is, the eight-digit Office of Postsecondary Education Identification (OPEID) number.” The registrar stated that the programs in the system are exclusively tied to the OPEID number for the main campus. As a result, the university reported the main campus OPEID number for all programs. The registrar was not aware of the requirement to report the OPEID number based on the campus location where the student attends classes.

EFFECT

A student’s enrollment status determines eligibility for in-school status, deferment, and grace periods, and it provides vast amounts of critical data about the effectiveness of Title IV aid programs. Timely and accurate enrollment reporting is critical for effective management of the programs. Incorrectly reporting enrollment status changes could result in several errors, such as awarding grants based on the wrong enrollment status, inappropriately granting an in-school loan deferment, or failing to start the grace period or properly initiate the loan repayment process for students who are no longer enrolled. Noncompliance with enrollment reporting requirements could result in corrective actions requested by ED, such as placing further requirements or restrictions on the university.



RECOMMENDATION

The registrar should revise procedures to ensure that the registrar’s office uploads and submits the correct information to NSLDS. The registrar should ensure staff are adequately trained on the requirements for reporting status changes to ensure accurate reporting. Furthermore, the registrar should ensure that the university staff’s computer processes are operating effectively and should establish a process to verify statuses in NSLDS.

MANAGEMENT’S COMMENT

We concur with the finding. NSLDS review procedures will be created in the Office of the Registrar to ensure proper reporting occurs and verification is completed in a timely manner. These procedures will be documented by the end of fiscal year 2024 and periodically reviewed afterward. New procedures, such as reporting graduation twice, have been implemented since the conclusion of the audit. In addition to new procedures, the Registrar will implement cross-training requirements so at least three individuals may report and update information with NSLDS anytime.

AUDITEE'S SECTION



*Roan Mountain's Carvers
Gap, rhododendron blooming*

AUDITEE'S
SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Unclustered Programs					
Peace Corps					
08.U01	Peace Corps 140D0421P0117 Willcox		140D0421P0117	\$ 36,402	\$ -
Subtotal Peace Corps				\$ 36,402	\$ -
Department of Agriculture					
10.001	Agricultural Research Basic and Applied Research			\$ 1,858,675	\$ -
10.025	Plant and Animal Disease, Pest Control, and Animal			1,350,386	119,548
10.028	Wildlife Services			202,484	27,427
10.069	Conservation Reserve Program			53,847	-
10.147	Outreach Education and Technical Assistance			896	-
10.156	Federal-State Marketing Improvement Program			2,585,957	1,935,596
10.170	Specialty Crop Block Grant Program - Farm Bill			659,212	495,852
10.176	Dairy Business Innovation Initiatives			1,620,026	620,195
10.182	Food Bank Network			808,799	808,799
10.185	Local Food for Schools Cooperative Agreement Program			140,824	140,824
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds			214,297	214,297
10.202	Cooperative Forestry Research			1,536,705	-
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act			6,636,398	-
10.205	Payments to 1890 Land-Grant Colleges and Tuskegee University			34,934	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
10.215	Sustainable Agriculture Research and Education	National Center for Appropriate Technology (NCAT)	PO AGREEMENT UNDER PRIME AWARD LS21-349	\$ 1,976	
		University of Georgia	26757	12,713	
		University of Georgia	SUB00002447	21,892	
		University of Georgia	SUB00002636	21,167	
		University of Georgia	SUB00002868	11,797	
		University of Georgia	SUB00002943	5,269	
		Virginia Polytechnic Institute and State University	2019-USA-4RS03	31,764	
				<hr/>	
					106,578
					-
10.216	1890 Institution Capacity Building Grants				80,155
					-
10.217	Higher Education - Institution Challenge Grants Program			\$ 112,779	
		University of Florida	SUB00001757	4,040	
		Purdue University	F0003792902018	2,716	
				<hr/>	
					119,535
					2,716
10.226	Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants				65,920
					-
10.229	Extension Collaborative on Immunization Teaching & Engagement	Extension Foundation	EXC2-2021-2119		193,221
					-
10.237	From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture				1,546
					-
10.303	Integrated Programs				80,580
					11,460
10.310	Agriculture and Food Research Initiative (AFRI)			\$ 1,151,167	
		Texas Tech University	21A552-01	4,703	
		University of Hawaii	MA1708	11,141	
		University of Kentucky Research Foundation	PO 7800006723	42,217	
		University of Nebraska-Lincoln	25-6326-0643-002	22,818	
		Vanderbilt University	VUMC62163	2,526	
		Virginia Polytechnic Institute and State University	549159-19C22	29,186	
				<hr/>	
					1,263,758
					119,957
10.311	Beginning Farmer and Rancher Development Program				72,643
					-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
10.318	Women and Minorities in Science, Technology, Engineering, and Mathematics Fields			17,530	-
10.326	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)			120,181	28,018
10.328	National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	University of Florida University of Georgia University of Florida	UFDSP0012367 SUB00002978 SUB00003010	\$ 3,060 2,684 <u>14,984</u>	20,728 14,984
10.329	Crop Protection and Pest Management Competitive Program	North Carolina State University	SUB2022-2759-02	\$ 198,751 <u>6,864</u>	205,615 -
10.330	Alfalfa and Forage Research Program			208,078	130,723
10.334	Enhancing Agricultural Opportunities for Military Veterans Competitive Grants Program	Agricenter International	Unknown	13,077	13,077
10.351	Rural Business Development Grant COVID-19 - Rural Business Development Grant			\$ 313,212 <u>1,676</u>	314,888 -
10.443	Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers			152,290	-
10.500	Cooperative Extension Service	North Carolina State University University of Arkansas at Little Rock	2019-46100-30277 14541	\$ 424,193 20,537 <u>7,891</u>	452,621 11,600
10.511	Smith-Lever Funding (Various Programs)			12,713,887	-
10.512	Agriculture Extension at 1890 Land-grant Institutions			5,475,977	-
10.514	Expanded Food and Nutrition Education Program			235,893	-
10.515	Renewable Resources Extension Act and National Focus Fund Projects			117,288	-
10.524	Scholarships for Students at 1890 Institutions			609,431	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	US Virgin Islands Department of Agriculture	9237	\$ 2,523,196 78,966	1,402,931
10.535	SNAP Fraud Framework Implementation Grant			161,272	-
10.537	Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants			118,010	-
10.542	COVID-19 - Pandemic EBT Food Benefits			323,443,419	-
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children			120,363,108	87,792,704
10.558	Child and Adult Care Food Program			73,277,723	72,108,076
10.560	State Administrative Expenses for Child Nutrition			8,993,169	1,668,360
10.572	WIC Farmers' Market Nutrition Program (FMNP)			64,072	49,835
10.576	Senior Farmers Market Nutrition Program			395,922	350,000
10.579	Child Nutrition Discretionary Grants Limited			540,325	540,325
10.603	Emerging Markets Program			31,097	-
10.645	COVID-19 - Farm to School State Formula Grant			14,511	-
10.649	COVID-19 - Pandemic EBT Administrative Costs			21,509,825	460,773
10.652	Forestry Research			456,799	-
10.664	Cooperative Forestry Assistance			1,896,716	421,388
10.675	Urban and Community Forestry Program			319,164	128,903
10.676	Forest Legacy Program			24,517	-
10.678	Forest Stewardship Program			194,618	-

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
10.680	Forest Health Protection			\$ 371,239	
		Slow the Spread Foundation, Incorporated 22-01-14		40,069	
		Slow the Spread Foundation, Incorporated 23-01-14		<u>21,370</u>	
					432,678
					5,000
10.691	Good Neighbor Authority				48,807
10.697	State & Private Forestry Hazardous Fuel Reduction Program				95,114
					19,198
10.698	State & Private Forestry Cooperative Fire Assistance				288,666
10.699	Partnership Agreements				56,874
10.855	Distance Learning and Telemedicine Loans and Grants				31,866
10.862	Rural Decentralized Water Systems Grant Program				165,121
10.874	Delta Health Care Services Grant Program				597,593
10.902	Soil and Water Conservation			\$ 723,452	
		National Women in Agriculture Association	NRCS-NHO-REJ-21-NOFO0001121	21,499	
				<u></u>	
					744,951
					382,113
10.903	Soil Survey				2,480
10.912	Environmental Quality Incentives Program			\$ 75,781	
		University of Georgia	SUB00002025	97,693	
				<u></u>	
					173,474
					29,943
10.931	Agricultural Conservation Easement Program				129,269
10.950	Agricultural Statistics Reports				23,331
10.960	Technical Agricultural Assistance				53,063
10.962	Cochran Fellowship Program				43,979
10.U01	USDA FS 12444122P0044 Lofaro		12444122P0044		10,558
10.U02	Corporation for Public Broadcasting RCSG 2023 Dean	Corporation for Public Broadcasting	Unknown		155,145

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
10.U03	Corporation for Public Broadcasting American Rescue Act Funding Lane 21	Corporation for Public Broadcasting	1607 AMER RESCUE ACT	44,634	-
10.U04	Corporation for Public Broadcasting Radio Comm Services Lane 2021-2023	Corporation for Public Broadcasting	CPB 2021-2023	108,415	-
10.U05	Our Daily Bread of Tennessee - Newton	Our Daily Bread of Tennessee	03-47--6437004	15,414	-
Subtotal Department of Agriculture				<u>\$ 597,972,721</u>	<u>\$ 170,054,622</u>
Department of Commerce					
11.032	State Digital Equity Planning Grants			\$ 74,820	\$ -
11.035	Broadband Equity, Access, and Deployment Program			26,585	-
11.303	Economic Development Technical Assistance			106,157	-
11.611	Manufacturing Extension Partnership	New York Manufacturing Extension Partnership	C220070	\$ 3,444,510 91,342	
				<u>3,535,852</u>	<u>91,750</u>
Subtotal Department of Commerce				<u>\$ 3,743,414</u>	<u>\$ 91,750</u>
Department of Defense					
12.002	Procurement Technical Assistance For Business Firms			\$ 653,134	\$ -
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services			117,731	-
12.330	Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program			432,354	57,894
12.400	Military Construction, National Guard			10,122,256	-
12.401	National Guard Military Operations and Maintenance (O&M) Projects			43,952,991	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
12.600	Community Investment			1,181,069	285,075
12.617	Economic Adjustment Assistance for State Governments			278,657	-
12.630	Basic, Applied, and Advanced Research in Science and Engineering	Battelle Memorial Institute National Science Teachers Association	PO US024-0000100793 CO 2 23-871-031	\$ 85,000 <u>27,011</u>	112,011 -
12.902	Information Security Grants	Fordham University Fordham University	FORD0064-30353 SUBAWARD FORD0061-	\$ 12,123 56,537 <u>31,932</u>	100,592 -
12.903	GenCyber Grants Program			1,429	-
12.905	CyberSecurity Core Curriculum	Purdue University University of South Florida University of Louisville Research Foundation Inc.	13000952-035 SUBAWARD 1776-1084-00-B AMEND 1 SUBAWARD ULRF_21-0776-01 AMEND 1	\$ 56,660 386,759 41,310 33,897 <u>518,626</u>	-
12.U01	Air Force FA445222P0024 Skipper		FA445222P0024	63,085	-
12.U02	Law Enforcement Support Office (Noncash)		Unknown	1,670,321	-
12.U03	Navy N00014-23-1-2260 Dahlberg		N00014-23-1-2260	53,349	-
12.U04	Donated Equipment (Noncash)		Unknown	27,455	-
12.U05	Academic Review and Rewrite of NAVFAC DM 7.02	National Institute of Building Sciences	SUBCONTRACT PROJECT 66, TO4019	204,068	-
12.U06	National Guard – donated labor and professional services (Noncash)	National Guard of the United States	Unknown	430,000	-
12.U07	Purdue 13000844-037 SCALE Loveless Oper	Purdue University	13000844-037	<u>99,184</u>	-
Subtotal Department of Defense				<u>\$ 60,018,312</u>	<u>\$ 342,969</u>

Department of Housing and Urban Development

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
14.169	Housing Counseling Assistance Program			\$ 125,449	\$ 52,726
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii COVID-19 - Community Development Block			\$ 19,449,602 <u>6,772,428</u>	26,222,030 24,294,197
14.231	Emergency Solutions Grant Program			\$ 3,898,372	
		City of Knoxville	C-22-0031	17,758	
		City of Knoxville	C-22-0450	28,041	
		City of Knoxville	C-22-0455	10,573	
	COVID-19 - Emergency Solutions Grant Program			<u>5,781,900</u>	9,736,644 9,389,095
14.239	Home Investment Partnerships Program COVID-19 - Home Investment Partnerships Program			\$ 12,111,475 <u>89,228</u>	12,200,703 11,343,298
14.241	Housing Opportunities for Persons with AIDS			1,766,947	1,749,358
14.267	Continuum of Care Program			125,920	-
14.275	Housing Trust Fund			5,366,844	5,104,385
14.401	Fair Housing Assistance Program State and Local			904,779	-
14.896	Family Self-Sufficiency Program			319,686	-
14.U01	Office of Manufactured Housing		DU100K900016709	336,991	-
14.U02	City of Knoxville C-22-0166 First	City of Knoxville	C-22-0166	11,460	-
14.U03	City of Knoxville FY22 HMIS First	City of Knoxville	C-22-0170	50,441	-
14.U04	City of Knoxville FY23 HMIS C220170First	City of Knoxville	C-22-0170	53,690	-
14.U05	City of Knoxville HMIS C-22-0166 First	City of Knoxville	C-22-0166	<u>25,839</u>	-
Subtotal Department of Housing and Urban Development				\$ 57,247,423	\$ 51,933,059

Department of the Interior

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining			\$ 713,205	\$ -
15.252	Abandoned Mine Land Reclamation (AMLR)			2,996,447	-
15.433	COVID-19 - Flood Control Act Lands			1,493,308	1,493,308
15.608	Fish and Wildlife Management Assistance			1,531,502	-
15.615	Cooperative Endangered Species Conservation Fund			110,017	81,318
15.616	Clean Vessel Act			91,297	-
15.631	Partners for Fish and Wildlife			94,387	94,387
15.634	State Wildlife Grants			977,811	(19,343)
15.657	Endangered Species Recovery Implementation			138,569	-
15.676	Youth Engagement, Education, and Employment			21,558	-
15.684	White-nose Syndrome National Response			35,294	-
15.808	U.S. Geological Survey Research and Data Collection			47,787	-
15.810	National Cooperative Geologic Mapping			196,674	-
15.904	Historic Preservation Fund Grants-In-Aid			1,007,999	635,709
15.916	Outdoor Recreation Acquisition, Development and			16,648	-
15.939	Heritage Partnership			370,483	58,112
15.945	Cooperative Research and Training Programs – Resources of the National Park System			11,340	-
Subtotal Department of the Interior				\$ 9,854,326	\$ 2,343,491
Department of Justice					
16.017	Sexual Assault Services Formula Program			\$ 472,030	\$ 449,533

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
16.034	COVID-19 - Coronavirus Emergency Supplemental Funding Program			966,794	871,279
16.320	Services for Trafficking Victims			320,052	-
16.321	Antiterrorism Emergency Reserve			182,066	182,066
16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus			201,122	-
16.540	Juvenile Justice and Delinquency Prevention			597,399	438,192
16.550	State Justice Statistics Program for Statistical Analysis Centers			55,252	-
16.554	National Criminal History Improvement Program			4,455,657	873,904
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			124,508	-
16.575	Crime Victim Assistance			40,448,332	38,425,696
16.576	Crime Victim Compensation			2,301,000	-
16.582	Crime Victim Assistance/Discretionary Grants			\$ 260,663	
		City of Memphis Police Department	37373	31,853	
		City of Memphis Police Department	2018-V3-GX-K049	15,055	
				<u>307,571</u>	-
16.585	Drug Court Discretionary Grant Program			476,645	476,645
16.588	Violence Against Women Formula Grants			2,875,682	2,545,520
16.593	Residential Substance Abuse Treatment for State			484,840	466,266
16.606	State Criminal Alien Assistance Program			482,760	-
16.607	Bulletproof Vest Partnership Program			3,122	3,122
16.609	Project Safe Neighborhoods			(1,779)	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
16.710	Public Safety Partnership and Community Policing	City of Memphis Police Department	37638	\$ 2,849,195	
		University of North Texas Health Science Center	RF70050-2021-0151	11,054 56,163	
				<hr/>	2,916,412
					33,600
16.726	Juvenile Mentoring Program	National 4-H Council	MENTORING 21/22	\$ 13,935	-
		National 4-H Council	MENTORING 22/23	29,986	
		National 4-H Council	Unknown	1	
				<hr/>	43,922
					-
16.738	Edward Byrne Memorial Justice Assistance Grant	City of Memphis Police Department	36452	\$ 4,234,652	
		City of Memphis Police Department	37317	40,653	
				<hr/>	
					4,312,503
					3,708,732
16.741	DNA Backlog Reduction Program				2,047,308
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program				564,863
					531,857
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program				209,849
					203,330
16.750	Support for Adam Walsh Act Implementation Grant Program				324,824
					-
16.754	Harold Rogers Prescription Drug Monitoring Program				1,293,311
					-
16.812	Second Chance Act Reentry Initiative	Rutherford County	SCAX-MTSU	\$ 27,360	
				<hr/>	
					35,380
					62,740
					-
16.813	NICS Act Record Improvement Program				543,737
					521,663
16.827	Justice Reinvestment Initiative	Community Resources for Justice	2019-ZB-BX-K003	\$ 57,037	
				<hr/>	
					75,000
					132,037
					-
16.828	Swift, Certain, and Fair Supervision Program: Applying the Principles Behind Project HOPE				93,675
					-

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
16.833	National Sexual Assault Kit Initiative	City of Memphis Police Department	2018-AK-BX-0035	\$ 194,775 <u>9,446</u>	204,221 -
16.838	Comprehensive Opioid, Stimulant, and Substance Abuse Program			2,441,015	1,910,652
16.842	Opioid Affected Youth Initiative			214,449	-
16.922	Equitable Sharing Program			1,626,969	-
16.U01	Court Technical Assistance		SJI-20-T-062, SJI-21-T-02	1,073	-
16.U02	Funded State and Local Task Force		Unknown	1,165	-
16.U03	Governors Task Force Marijuana		2022-104	549,127	-
16.U04	JOPS Equipment Reimbursement Program		2023-104	14,465	-
16.U05	Project Guardian Initiative		USSJOPSREIM322644474	46,834	-
16.U06	Task Force OT		2020-DG-BX-K012	157,704	-
16.U07	U.S. Marshals Service Joint Law Enforcement Operation Taskforce		DEA	58,522	-
16.U08	Hamilton Co Mental Health Court FY22 Had	Hamilton County Mental Health Court	LETTER, MOD #1	<u>4,256</u>	<u>-</u>
Subtotal Department of Justice				<u>\$ 72,618,034</u>	<u>\$ 51,642,057</u>
Department of Labor					
17.002	Labor Force Statistics			\$ 1,231,730	\$ -
17.005	Compensation and Working Conditions			170,021	-
17.225	Unemployment Insurance COVID-19 - Unemployment Insurance			\$ 189,119,873 <u>14,226,996</u>	203,346,869 660,607
17.235	Senior Community Service Employment Program			876,647	738,938

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
17.245	Trade Adjustment Assistance			1,358,992	-
17.268	H-1B Job Training Grants	Pennsylvania College of Technology	20MIDTBR	\$ 188,533 562,499	562,499
17.271	Work Opportunity Tax Credit Program (WOTC)			951,136	-
17.273	Temporary Labor Certification for Foreign Workers			307,653	-
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants			\$ 312,050 4,738,661	4,752,283
17.280	WIOA Dislocated Worker National Reserve Demonstration Grants	Appalachian Sustainable Development	MI-35510-20-20-A-51-02	\$ 325,592 40,099	-
17.285	Apprenticeship USA Grants			365,691	-
17.503	Occupational Safety and Health State Program			164,717	-
17.504	Consultation Agreements			4,300,927	-
17.504	Consultation Agreements			1,190,743	-
17.600	Mine Health and Safety Grants			208,424	-
Subtotal Department of Labor				\$ 220,275,293	\$ 6,714,327

Department of State

19.009	Academic Exchange Programs - Undergraduate	FHI 360 World Learning World Learning	PO21001872 A20-2992-002 SECAGD21CA3052	\$ 25,013 561 1,480	\$ 27,054	\$ -
19.033	Global Threat Reduction			838,342	-	-
19.040	Public Diplomacy Programs			\$ 123,844	-	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		US Embassy & Consulate in Spain and Andorra	SSP50022GR0060	5,913	
				<u>129,757</u>	-
19.415	Professional and Cultural Exchange Programs - Citizen Exchanges			1,233,742	1,041,820
19.600	Bureau of Near Eastern Affairs	The American University of Kurdistan	NONE	<u>330</u>	-
Subtotal Department of State				<u>\$ 2,229,225</u>	<u>\$ 1,041,820</u>
Department of Transportation					
20.106	Airport Improvement Program and COVID-19 Airports Programs			\$ 20,313,287	
	COVID-19 - Airport Improvement Program and COVID- 19 Airports Programs			<u>1,972,454</u>	
				\$ 22,285,741	\$ 22,285,794
20.205	Highway Planning and Construction			\$ 1,092,994,175	
	COVID-19 - Highway Planning and Construction			<u>8,228,635</u>	
				1,101,222,810	79,044,301
20.215	Highway Training and Education			27,522	-
20.219	Recreational Trails Program			1,806,416	-
20.232	Commercial Driver's License Program Implementation Grant			73,834	-
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort			6,884	-
20.301	Railroad Safety			2,517	-
20.505	Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research			244,189	(39,020)
20.509	Formula Grants for Rural Areas and Tribal Transit COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program			\$ 25,046,326 <u>3,187,075</u>	
				28,233,401	27,648,388

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program			462,505	-
20.607	Alcohol Open Container Requirements			11,704,036	2,777,966
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative			403,163	-
20.700	Pipeline Safety Program State Base Grant			779,233	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			1,138,211	1,138,211
20.933	National Infrastructure Investments			5,000	5,000
Subtotal Department of Transportation				<u>\$ 1,168,395,462</u>	<u>\$ 132,860,640</u>
Department of the Treasury					
21.016	Equitable Sharing			\$ 235,298	\$ -
21.023	COVID-19 - Emergency Rental Assistance Program			141,561,316	-
21.026	COVID-19 - Homeowner Assistance Fund			29,156,297	-
21.027	COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	Metropolitan Government of Nashville and Davidson County	11-22-4397	\$ 251,589,619 19,471	
				<u>251,609,090</u>	<u>178,959,696</u>
Subtotal Department of the Treasury				<u>\$ 422,562,001</u>	<u>\$ 178,959,696</u>
Appalachian Regional Commission					
23.002	Appalachian Area Development			\$ 8,098,504	\$ 7,907,998
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects			723,811	101,018
Subtotal Appalachian Regional Commission				<u>\$ 8,822,315</u>	<u>\$ 8,009,016</u>

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Equal Employment Opportunity Commission					
30.U01	Employment Discrimination State and Local Fair Employment Practices Agency Contracts		45310021C0059	\$ 156,590	\$ -
Subtotal Equal Employment Opportunity Commission				\$ 156,590	\$ -
General Services Administration					
39.003	Donation of Federal Surplus Personal Property			\$ 435,986	\$ -
39.011	Election Reform Payments			2	-
Subtotal General Services Administration				\$ 435,988	\$ -
Library of Congress					
42.010	Teaching with Primary Sources			\$ 101,048	\$ -
42.RD	Teaching Memphis School History Project	Illinois State University	A08-0002-S064	9,737	-
Subtotal Library of Congress				\$ 110,785	\$ -
National Aeronautics and Space Administration					
43.001	Science	University of Toledo	N-125107-01 (F-2016-24)	\$ 56,494	\$ 56,494
43.008	Office of Stem Engagement (OSTEM)	Vanderbilt University	SUBAWARD 61856 AMEND	11,795	
		Vanderbilt University	UNIV61846	10,681	
		Vanderbilt University	UNIV61860	19,479	
		Vanderbilt University	UNIV61868	10,000	
		Vanderbilt University	UNIV61848	34,897	
		Vanderbilt University	UNIV61855	74,802	
		Vanderbilt University	OSA00000054	4,000	
				<u>165,654</u>	<u>4,000</u>
Subtotal National Aeronautics and Space Administration				\$ 222,148	\$ 60,494
National Endowment for the Arts					

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
45.024	Promotion of the Arts Grants to Organizations and Individuals	Arts Midwest	1866149-52-C-20	\$ 37,836 2,026	\$ 39,862 \$ 2,026
45.025	Promotion of the Arts Partnership Agreements	South Arts	6719	\$ 929,250 2,500	\$ 931,750 \$ 879,278
Subtotal National Endowment for the Arts				\$ 971,612	\$ 881,304
National Endowment for the Humanities					
45.129	Promotion of the Humanities Federal/State Partnership			\$ 45,532	\$ -
45.149	Promotion of the Humanities Division of Preservation and Access			215,862	-
45.161	Promotion of the Humanities Research			82,718	-
45.162	Promotion of the Humanities Teaching and Learning Resources and Curriculum Development			34,315	-
45.163	Promotion of the Humanities Professional Development			111,981	-
45.164	Promotion of the Humanities Public Programs	American Library Association American Historical Association Corporation	ARP ZOR-283655-21	\$ 1,501 4,700	\$ 6,201 \$ 6,201
Subtotal National Endowment for the Humanities				\$ 496,609	\$ 6,201
Institute of Museum and Library Services					
45.301	Museums for America			\$ 50,536	\$ -
45.310	Grants to States COVID-19 - Grants to States			\$ 3,489,597 332,239	\$ 3,821,836 \$ 352,419

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
45.312	National Leadership Grants	Children's Museum Corporation of Rutherford County	MG-249465-0MS-21	29,575	-
45.313	Laura Bush 21st Century Librarian Program			215,356	77,446
45.U01	WGBH Education Fdtn K203039 Rorissa	WGBH Educational Foundation	K203039	10,304	-
Subtotal Institute of Museum and Library Services				<u>\$ 4,127,607</u>	<u>\$ 429,865</u>
National Science Foundation					
47.050	Geosciences	Savannah State University	SUB-2153-48-TSU	\$ 8,355	\$ 8,355
47.070	Computer and Information Science and Engineering			61,881	-
47.076	STEM Education (formerly Education and Human Resources)	Education Development Center	Unknown	<u>\$ 108,581</u> 2,312	-
47.U01	IPA-Dr. Alfred Hall		FBI JTTF	133,534	-
Subtotal National Science Foundation				<u>\$ 314,663</u>	<u>\$ 8,355</u>
Small Business Administration					
59.037	Small Business Development Centers			\$ 2,793,256	\$ 227,765
Subtotal Small Business Administration				<u>\$ 2,793,256</u>	<u>\$ 227,765</u>
Tennessee Valley Authority					
62.U01	Ocoee Trust Fund		Unknown	\$ 3,923,879	\$ 2,550,249
62.U02	TVA – Donated Equipment (Noncash)	Tennessee Valley Authority	Unknown	169,823	-
Subtotal Tennessee Valley Authority				<u>\$ 4,093,702</u>	<u>\$ 2,550,249</u>
Department of Veterans Affairs					
64.005	Grants to States for Construction of State Home			\$ 15,681,348	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
64.015	Veterans State Nursing Home Care			38,663,683	-
64.034	VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces			95,299	-
64.054	Research and Development			203,575	-
64.101	Burial Expenses Allowance for Veterans			1,591,300	-
64.124	All-Volunteer Force Educational Assistance			584,805	-
64.U01	Department of Veterans Affairs		TLIV VA ARF TNSH VA ARF VA ARF	\$ 1,369 2,287 <u>5,174</u>	8,830 - -
64.U02	Educational Assistance Annual Reporting		ANNUAL REPORTING FEES	2,174	-
64.U03	US Dept Veterans Kidney Disease Langston		Unknown	25,043	-
64.U04	VA Medical Center IPA Agreements-Waters		Unknown	<u>9,027</u>	-
Subtotal Department of Veterans Affairs				<u>\$ 56,865,084</u>	<u>\$ -</u>
Environmental Protection Agency					
66.032	State Indoor Radon Grants			\$ 183,363	\$ -
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating			746,530	-
66.040	Diesel Emissions Reduction Act (DERA) State Grants			337,052	337,052
66.204	Multipurpose Grants to States and Tribes			70,156	-
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			28,803	-
66.424	Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking			10,095	10,095

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
66.433	State Underground Water Source Protection			72,757	-
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act			45,565	55,184
66.446	Technical Assistance for Treatment Works (Clean Water Act [CWA] Section 104(b)(8))	National Onsite Wastewater Recycling Association	24437	20,360	-
66.454	Water Quality Management Planning			509,313	88,317
66.460	Nonpoint Source Implementation Grants			2,404,542	710,030
66.461	Regional Wetland Program Development Grants			5,865	-
66.605	Performance Partnership Grants			7,958,444	-
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements			163,729	-
66.708	Pollution Prevention Grants Program			108,210	-
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	Extension Foundation	SA-2022-15	17,759	-
66.801	Hazardous Waste Management State Program Support			1,726,819	-
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			258,905	-
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program			620,000	-
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program			1,355,467	-
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements			89,048	-
66.817	State and Tribal Response Program Grants			814,153	-
Subtotal Environmental Protection Agency				\$ 17,546,935	\$ 1,200,678

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Nuclear Regulatory Commission					
77.008	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program			\$ 110,588	\$ -
Subtotal Nuclear Regulatory Commission				\$ 110,588	\$ -
Department of Energy					
81.041	State Energy Program			\$ 1,230,377	\$ -
81.042	Weatherization Assistance for Low-Income Persons			2,917,553	2,690,217
81.049	Office of Science Financial Assistance Program			541,188	-
81.086	Conservation Research and Development			50,851	-
81.089	Fossil Energy Research and Development			89,188	-
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	North Carolina State University	SUBAWARD 2017-3030-01 AMEND 4	\$ 307,205 12,563	40,000
81.119	State Energy Program Special Projects			2,391	-
81.121	Nuclear Energy Research, Development and			329,485	-
81.123	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program			11,928	-
81.136	Long-Term Surveillance and Maintenance			4,673,089	69,175
81.214	Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis			1,814,810	1,310,463
81.U01	DOE-ORISE Hasenjager Fellow- Fefferman	Oak Ridge Institute for Science and Education	HASENJAGER FELLOWSHIP	2,811	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
81.U02	Jefferson Science Assoc 2022-2023 Fomin	Jefferson Science Associates, LLC	2022-2023	10,877	-
81.U03	Oak Ridge Wildlife Management Area (WMA)		Unknown	378,415	-
Subtotal Department of Energy				\$ 12,372,731	\$ 4,109,855
Department of Education					
84.002	Adult Education - Basic Grants to States			\$ 14,750,322	\$ 7,706,130
84.010	Title I Grants to Local Educational Agencies			392,688,879	378,525,473
84.011	Migrant Education State Grant Program			2,131,062	2,131,062
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			238,299	238,299
84.031	Higher Education Institutional Aid			10,551,174	-
84.048	Career and Technical Education -- Basic Grants to States			38,266,339	33,883,338
84.051	Career and Technical Education -- National Programs			308,579	301,200
84.116	Fund for the Improvement of Postsecondary Education			204,287	-
84.120	Minority Science and Engineering Improvement			51,210	-
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States			60,582,764	7,464,179
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind			2,069,886	-
84.181	Special Education-Grants for Infants and Families COVID-19 - Special Education-Grants for Infants and Families			\$ 8,543,475 1,785,702	
				10,329,177	7,232,870
84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)			373,346	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities			704,714	-
84.196	Education for Homeless Children and Youth			2,339,572	2,252,357
84.200	Graduate Assistance in Areas of National Need			2,984	-
84.206	Javits Gifted and Talented Students Education			727,920	465,217
84.229	Language Resource Centers	Indiana University	P229A180011-21	4,089	-
84.282	Charter Schools			2,103,124	1,833,183
84.287	Twenty-First Century Community Learning Centers	Hamilton County Public Schools	232974	\$ 27,977,708 13,444	27,991,152 27,694,209
84.305	Education Research, Development and Dissemination			356,149	-
84.323	Special Education - State Personnel Development			1,527,935	1,527,935
84.324	Research in Special Education			70,417	-
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	University of Florida Vanderbilt University	136897/48431 CEEDAR VUMC 77654	\$ 1,305,975 31,004 39,726	1,376,705 365,937
84.334	Gaining Early Awareness and Readiness for Programs	Metropolitan Government of Nashville and Davidson County	Unknown	\$ 4,847,256 70,309	4,917,565 2,285,699
84.335	Child Care Access Means Parents in School			945,587	-
84.336	Teacher Quality Partnership Grants			175,378	-
84.358	Rural Education			4,204,411	4,064,904
84.365	English Language Acquisition State Grants			10,054,292	9,912,519

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	National Writing Project	94-TN02	\$ 50,655,843 <u>720</u>	49,583,085
84.369	Grants for State Assessments and Related Activities			10,292,029	-
84.371	Comprehensive Literacy Development			4,575,062	4,461,432
84.372	Statewide Longitudinal Data Systems			237,395	-
84.382	Strengthening Minority-Serving Institutions			379,256	-
84.407	Transition Programs for Students with Intellectual Disabilities into Higher Education			504,869	-
84.411	Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	Niswonger Foundation	S411BS00035	118,347	-
84.423	Supporting Effective Educator Development Program			665,340	-
84.424	Student Support and Academic Enrichment Program			27,640,270	27,252,816
84.425B	COVID-19 - Discretionary Grants: Rethink K-12 Education Models Grants			534,275	-
84.425C	COVID-19 - Governor's Emergency Education Relief (GEER) Fund			15,763,747	12,858,618
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund			419,741,389	401,297,091
84.425E	COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion			24,880,858	-
84.425F	COVID-19 - HEERF Institutional Portion			96,738,567	-
84.425L	COVID-19 - HEERF Minority Serving Institutions			1,492,648	-
84.425M	COVID-19 - HEERF Strengthening Institutions Program (SIP)			6,133,809	-

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
84.425N	COVID-19 - HEERF Fund for the Improvement of Postsecondary Education (FIPSE) Formula Grant			144,309	-
84.425R	COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency			4,665,384	-
84.425T	COVID-19 - HEERF Supplemental Support Under American Rescue Plan (SSARP) Program			3,583,205	-
84.425U	COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)			784,968,368	781,895,392
84.425W	COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless			2,673,124	2,657,061
84.U01	NAEP State Coordinator/Basic Participation Contract		M-23-D76-O-000054	165,748	-
Subtotal Department of Education				<u>\$ 2,046,601,880</u>	<u>\$ 1,767,890,006</u>
National Archives and Records Administration					
89.003	National Historical Publications and Records Grants			\$ 254,197	\$ 13,647
Subtotal National Archives and Records Administration				<u>\$ 254,197</u>	<u>\$ 13,647</u>
Delta Regional Authority					
90.200	Delta Regional Authority			\$ 3,285	\$ -
Subtotal Delta Regional Authority				<u>\$ 3,285</u>	<u>\$ -</u>
Election Assistance Commission					
90.401	Help America Vote Act Requirements Payments			\$ 494,132	\$ -
90.404	HAVA Election Security Grants			\$ 734,832	
	COVID-19 - HAVA Election Security Grants			<u>500</u>	
				735,332	653,761
Subtotal Election Assistance Commission				<u>\$ 1,229,464</u>	<u>\$ 653,761</u>

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Department of Health and Human Services					
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation			\$ 49,375	\$ 44,375
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older			676,121	576,630
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			483,251	483,251
93.048	COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects			507,853	350,041
93.052	National Family Caregiver Support, Title III, Part E			4,488,636	4,488,636
93.069	Public Health Emergency Preparedness			12,798,071	3,321,194
93.070	Environmental Public Health and Emergency Response			664,001	(4,331)
93.071	Medicare Enrollment Assistance Program			754,528	752,517
93.072	Lifespan Respite Care Program			285,853	284,774
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance			357,776	-
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			367	-
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			78,538	78,538
93.087	Enhance Safety of Children Affected by Substance			67,728	59,720
93.088	Advancing System Improvements for Key Issues in Women's Health			201,478	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
93.090	Guardianship Assistance COVID-19 - Guardianship Assistance			\$ 10,789,225 887,922	11,677,147 -
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program				615,717 484,333
93.103	Food and Drug Administration Research				2,060,228 -
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)				3,472,678 2,989,248
93.110	Maternal and Child Health Federal Consolidated	Vanderbilt University Vanderbilt University	VUMC59412 VUMC6917	\$ 1,291,113 162,041 6,691	1,459,845 86,907
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs				1,527,270 1,218,394
93.124	Nurse Anesthetist Traineeship				30,655 -
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices				199,101 -
93.136	Injury Prevention and Control Research and State and Community Based Programs				11,057,397 4,028,141
93.150	Projects for Assistance in Transition from Homelessness (PATH)				919,147 817,147
93.155	Rural Health Research Centers				4,219,181 4,192,738
93.165	Grants to States for Loan Repayment				1,423,004 1,420,966
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children				309,198 -
93.211	Telehealth Programs				35,122 -

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<u>AL#</u>	<u>Program Name</u>	<u>Passed Through From</u>	<u>Other Identifying Number</u>	<u>Total Expenditures/Issues</u>	<u>Expenditures/Issues Passed Through to Subrecipients</u>
93.217	Family Planning Services			4,870,700	1,139,657
93.234	Traumatic Brain Injury State Demonstration Grant			193,282	168,910
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program			1,395,578	1,079,167
93.240	State Capacity Building			430,488	-
93.241	State Rural Hospital Flexibility Program			443,547	365,964
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance COVID-19 - Substance Abuse and Mental Health Services Projects of Regional and National Significance	Ridgeview Behavioral Health Services	TI-18-003	\$ 10,367,264 21,880 1,438,083	 <hr/> 11,827,227
93.247	Advanced Nursing Education Workforce Grant Program			2,265,554	5,000
93.251	Early Hearing Detection and Intervention			235,289	223,944
93.262	Occupational Safety and Health Program			99,340	-
93.268	Immunization Cooperative Agreements Immunization Cooperative Agreements (Noncash) COVID-19 - Immunization Cooperative Agreements			\$ 20,404,765 103,272,917 20,966,330	 <hr/> 144,644,012
93.270	Viral Hepatitis Prevention and Control			307,913	-
93.279	Drug Abuse and Addiction Research Programs	Partnership to End Addiction	R24DA051946	5,014	-
93.301	Small Rural Hospital Improvement Grant Program			319,654	315,284
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program			170,462	21,075
93.317	Emerging Infections Programs COVID-19 - Emerging Infections Programs			\$ 4,158,225 1,549,075	 <hr/> 5,707,300

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
93.319	Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas			555,910	-
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			\$ 116,644,626	
	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			1,693,810	
				<hr/>	
				118,338,436	82,428,149
93.324	State Health Insurance Assistance Program			1,203,387	798,188
93.334	The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels			354,896	-
93.336	Behavioral Risk Factor Surveillance System			\$ 260,812	
	COVID-19 - Behavioral Risk Factor Surveillance System			11,479	
				<hr/>	
				272,291	32,753
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			14,494,009	7,489,571
93.359	Nurse Education, Practice Quality and Retention Grants			1,320,843	34,207
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs			176,984	-
93.369	ACL Independent Living State Grants			\$ 399,659	
	COVID-19 - ACL Independent Living State Grants			47,426	
				<hr/>	
				447,085	396,500
93.387	National and State Tobacco Control Program			1,986,503	481,550
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			14,430,697	8,887,195
93.398	Cancer Research Manpower	Meharry Medical College	161219LS169	6,726	6,726

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	National Association of County and City Health Officials	2022-120801	\$ 126,708	
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	University of Minnesota	P010242253	32,081	
				<hr/>	158,789
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and				2,275,058
93.434	Every Student Succeeds Act/Preschool Development				677,705
93.464	ACL Assistive Technology				400,614
93.470	Alzheimer's Disease Program Initiative (ADPI)				56,669
93.472	Title IV-E Prevention Program				3,143,113
93.478	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees				433,077
93.498	COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution				665,374
93.499	COVID-19 - Low Income Household Water Assistance Program				13,723,350
93.516	Public Health Training Centers Program	Emory University	A176162	\$ 104,863 24,431	
				<hr/>	129,294
93.526	Grants for Capital Development in Health Centers				33,821
93.556	MaryLee Allen Promoting Safe and Stable Families Program			\$ 4,677,495	
	COVID-19 - MaryLee Allen Promoting Safe and Stable Families Program			1,350,143	
				<hr/>	6,027,638
93.558	Temporary Assistance for Needy Families	United Way of Greater Knoxville	TANF OPPORTUNITY ACT	\$ 204,601,816 75,515	148,520

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
	COVID-19 - Temporary Assistance for Needy Families			6,556,500	
					211,233,831
93.563	Child Support Enforcement				85,721,179
					-
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Catholic Charities of Tennessee, Incorporated	Unknown	\$ 103,400	
		Catholic Charities of Tennessee, Incorporated	SUBGRANTEE AGREEMENT	65,487	
					168,887
					-
93.568	Low-Income Home Energy Assistance COVID-19 - Low-Income Home Energy Assistance			\$ 86,958,494 14,158,449	
					101,116,943
					99,941,867
93.569	Community Services Block Grant COVID-19 - Community Services Block Grant			\$ 13,488,637 6,264,741	
					19,753,378
					18,987,727
93.586	State Court Improvement Program COVID-19 - State Court Improvement Program			\$ 605,049 106,867	
					711,916
					-
93.590	Community-Based Child Abuse Prevention Grants COVID-19 - Community-Based Child Abuse Prevention			\$ 841,433 664,485	
					1,505,918
					-
93.597	Grants to States for Access and Visitation Programs				153,994
					-
93.599	Chafee Education and Training Vouchers Program COVID-19 - Chafee Education and Training Vouchers Program (ETV)			\$ 722,539 144,439	
					866,978
					-
93.603	Adoption and Legal Guardianship Incentive Payments				422,000
					-
93.630	Developmental Disabilities Basic Support and Advocacy Grants				1,289,130
					130,989
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service				615,588
					-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
93.643	Children's Justice Grants to States			274,065	-
93.645	Stephanie Tubbs Jones Child Welfare Services Program			4,375,753	-
93.658	Foster Care Title IV-E COVID-19 - Foster Care Title IV-E			\$ 44,872,056 <u>2,363,372</u>	-
				47,235,428	-
93.659	Adoption Assistance COVID-19 - Adoption Assistance			\$ 72,277,077 <u>6,034,278</u>	-
				78,311,355	-
93.665	COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19			943,941	819,159
93.667	Social Services Block Grant			30,204,741	4,129,813
93.669	Child Abuse and Neglect State Grants COVID-19 - Child Abuse and Neglect State Grants			\$ 1,936,040 <u>878,073</u>	122,413
				2,814,113	5,341,377
93.671	Family Violence Prevention and Services/Domestic			5,590,249	5,341,377
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood			\$ 2,921,859 <u>1,748,787</u>	268,259
				4,670,646	268,259
93.687	Maternal Opioid Misuse Model			1,007,225	625,865
93.732	Mental and Behavioral Health Education and Training Grants			359,825	35,883
93.747	Elder Abuse Prevention Interventions Program COVID-19 - Elder Abuse Prevention Interventions Program			\$ 214,468 <u>1,991,507</u>	1,376,657
				2,205,975	1,376,657
93.761	Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)			70,126	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
93.767	Children's Health Insurance Program COVID-19 - Children's Health Insurance Program			\$ 594,755,671 21,247,255	616,002,926 -
93.788	Opioid STR	Iowa State University of Science and Technology	022769A	\$ 31,958,925 423	31,959,348 25,610,493
93.791	Money Follows the Person Rebalancing Demonstration				644,631 -
93.870	Maternal, Infant and Early Childhood Home Visiting				10,223,200 8,287,326
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens				233,975 -
93.877	Autism Collaboration, Accountability, Research, Education, and Support	Association of University Centers on Disabilities University of California, Los Angeles	1557 G ZB835 1557 G ZB835	\$ 1,711 19,237	20,948 -
93.879	Medical Library Assistance	Medical University of South Carolina	A21-0296-S017		14,905 -
93.884	Primary Care Training and Enhancement				494,950 -
93.889	National Bioterrorism Hospital Preparedness Program COVID-19 - National Bioterrorism Hospital Preparedness Program			\$ 3,498,037 71,920	3,569,957 2,249,427
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations				4,466,697 667,703
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement COVID-19 - Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement			\$ 585,453 22,210	607,663 25,046

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
93.913	Grants to States for Operation of State Offices of Rural Health			244,827	30,689
93.917	HIV Care Formula Grants COVID-19 - HIV Care Formula Grants			\$ 34,538,796 (105)	34,538,691
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			(28)	-
93.932	Native Hawaiian Health Care Systems			17,285	-
93.940	HIV Prevention Activities Health Department Based			7,793,423	4,368,404
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			389,208	9,000
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			293,698	2,500
93.958	COVID-19 - Block Grants for Community Mental Health Services			26,860,225	26,718,457
93.959	Block Grants for Prevention and Treatment of Substance Abuse COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse			\$ 33,007,220 4,064,296	37,071,516
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants			\$ 561,250 1,625,068	2,186,318
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools COVID-19 - Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools			\$ 799,612 8,600	808,212
				808,212	181,933

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
93.982	Mental Health Disaster Assistance and Emergency Mental Health			1,418,301	1,371,055
93.991	Preventive Health and Health Services Block Grant			3,056,609	2,296,931
93.994	Maternal and Child Health Services Block Grant to the States			12,941,961	2,275,509
93.U01	Nat'l Partnership (PETE) 10881 Webster	National Partnership for Environmental Technology Education	10881 DOE Y12	40,601	-
Subtotal Department of Health and Human Services				\$ 1,812,170,126	\$ 516,288,671
Corporation for National and Community Service					
94.003	State Commissions			\$ 365,131	\$ 4,752
94.006	AmeriCorps			5,486,263	5,259,697
94.008	Commission Investment Fund			100,633	-
94.021	AmeriCorps Volunteer Generation Fund 94.021			68,369	-
94.U01	Knoxville-Knox County (CAC) Hadjiharalam	Knoxville-Knox County Community Action Committee	AGREEMENT	1,454	-
Subtotal Corporation for National and Community Service				\$ 6,021,850	\$ 5,264,449
Executive Office of the President					
95.001	High Intensity Drug Trafficking Areas Program			\$ 114,135	
		Office of National Drug Control Policy	GP22AP0001A	173,960	
		Office of National Drug Control Policy	GP23AP0001A	196,974	
				\$ 485,069	\$ -
Subtotal Executive Office of the President				\$ 485,069	\$ -
Department of Homeland Security					

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
97.005	State and Local Homeland Security National Training Program			\$ 429,112	\$ -
97.008	Non-Profit Security Program			752,015	752,015
97.012	Boating Safety Financial Assistance			733,016	-
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)			142,505	-
97.029	Flood Mitigation Assistance			52,519	52,519
97.032	Crisis Counseling COVID-19 - Crisis Counseling			\$ 40,328 <u>83,025</u>	123,353 123,353
97.034	Disaster Unemployment Assistance			(1,903)	-
97.036	COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)			116,670,678	116,670,678
97.039	Hazard Mitigation Grant			1,455,148	1,455,148
97.041	National Dam Safety Program			105,956	-
97.042	Emergency Management Performance Grants			11,680,861	11,680,861
97.043	State Fire Training Systems Grants			2,319	-
97.044	Assistance to Firefighters Grant			121,905	-
97.045	Cooperating Technical Partners			85,386	85,386
97.047	BRIC: Building Resilient Infrastructure and			1,336,942	1,336,942
97.050	Presidential Declared Disaster Assistance to Individuals and Households - Other Needs			1,612,468	-
97.067	Homeland Security Grant Program			<u>3,817,192</u>	<u>3,817,192</u>
Subtotal Department of Homeland Security				\$ 139,119,472	\$ 135,974,094

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Agency for International Development					
98.001	USAID Foreign Assistance for Programs Overseas	Purdue University	F0004868402096	\$ 63,822	\$ 63,822
Subtotal Agency for International Development				\$ 63,822	\$ 63,822
State Justice Institute					
99.U01	COVID-19 - Housing Stability Counseling Program		99.U19	\$ 49,615	\$ 48,175
Subtotal State Justice Institute				\$ 49,615	\$ 48,175
Total Unclustered Programs				\$ 6,730,392,006	\$ 3,039,664,838
Research and Development Cluster					
Department of Agriculture					
Agricultural Marketing Service					
10.156	Federal-State Marketing Improvement Program			\$ 35,179	\$ -
10.170	Specialty Crop Block Grant Program - Farm Bill	The Center For Produce Safety The Center For Produce Safety	2021CPS06 2023CPS12	\$ 107,569 <u>57,606</u>	 <u>-</u>
Subtotal Agricultural Marketing Service				\$ 200,354	\$ -
Agricultural Research Service					
10.001	Agricultural Research Basic and Applied Research	Clemson University	2472-207-2015718	\$ 2,320,504 <u>28,652</u>	 <u>-</u>
Subtotal Agricultural Research Service				\$ 2,349,156	\$ -
Animal and Plant Health Inspection Service					

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
10.025	Plant and Animal Disease, Pest Control, and Animal	Colorado State University	G-70301-01	\$ 403,816 23,512	\$ 427,328 \$ -
10.028	Wildlife Services			186,648	-
Subtotal Animal and Plant Health Inspection Service				\$ 613,976	\$ -
Economic Research Service					
10.250	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	Virginia Polytechnic Institute and State University	422740-19D43	\$ 134,973 530	\$ -
Subtotal Economic Research Service				\$ 135,503	\$ -
Foreign Agricultural Service					
10.613	Faculty Exchange Program			\$ 276,900	\$ -
10.777	Norman E. Borlaug International Agricultural Science and Technology Fellowship			249,159	-
10.960	Technical Agricultural Assistance			245,126	10,496
10.961	Scientific Cooperation and Research	Mississippi State University	183905.310272.01	\$ 23,545 3,187	26,732 \$ -
10.962	Cochran Fellowship Program			60,235	-
Subtotal Foreign Agricultural Service				\$ 858,152	\$ 10,496
Forest Service					
10.664	Cooperative Forestry Assistance	WaterWays	13012204376S001	\$ 54,012 487	\$ 54,499 \$ -

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
10.675	Urban and Community Forestry Program			64,865	16,984
10.680	Forest Health Protection	Clemson University South Carolina Forestry Commission	2462-207-2025682 Unknown	\$ 210,962 63,880 <u>10,779</u>	285,621 -
10.683	National Fish and Wildlife Foundation			28,714	-
10.699	Partnership Agreements			578,627	30,990
10.707	Research Joint Venture and Cost Reimbursable			<u>95,040</u>	-
Subtotal Forest Service				<u>\$ 1,107,366</u>	<u>\$ 47,974</u>

National Institute of Food and Agriculture

10.200	Grants for Agricultural Research, Special Research Grants	University of Florida University of Florida University of Florida University of Florida	PO 1600472764 PO 2200906914 PO 2200911093 PO 2301128398	\$ 8,052 944 23,586 <u>11,536</u>	\$ 44,118	\$ 44,118
10.202	Cooperative Forestry Research			114,871	-	-
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	North Carolina State University	Unknown	25	-	-
10.205	Payments to 1890 Land-Grant Colleges and Tuskegee University	University of Maryland Eastern Shore	2020-38427-31514	\$ 4,645,276 <u>9,808</u>	4,655,084	9,808
10.207	Animal Health and Disease Research			680	-	-
10.215	Sustainable Agriculture Research and Education	University of Georgia University of Georgia University of Georgia University of Georgia University of Illinois Langston University	SUB00002295 SUB00002591 SUB00002842 SUB00002987 2018-38640-28416 LU-519571-4	\$ 46,437 7,455 15,210 5,877 139 <u>5,144</u>	80,262	7,715

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients	
10.216	1890 Institution Capacity Building Grants	Kentucky State University Virginia State University	210190-206101-3100 R000053	\$ 1,290,857 23,334 <u>8,295</u>	1,322,486	31,629
10.217	Higher Education - Institution Challenge Grants Program				71,073	-
10.219	Biotechnology Risk Assessment Research	Virginia Polytechnic Institute and State University	422734-19D43	\$ 171,699 <u>55,090</u>	226,789	-
10.220	Higher Education - Multicultural Scholars Grant				55,897	-
10.303	Integrated Programs	Texas A&M University	M2301989	\$ 497,326 <u>1,351</u>	498,677	40,001
10.304	Homeland Security Agricultural	University of Florida University of Florida	SUB00002904 SUB00003519	\$ 7,499 <u>7,508</u>	15,007	-
10.307	Organic Agriculture Research and Extension Initiative				44,650	-
10.309	Specialty Crop Research Initiative	Michigan State University North Carolina State University Texas A&M University Texas A&M University Virginia Polytechnic Institute and State University	RC114514UTN 2021-2582-03 M2300284 M1900023 2020-51181-32135	\$ 1,539,271 73,241 94,920 39,330 45,143 <u>101,342</u>	1,893,247	101,342
10.310	Agriculture and Food Research Initiative (AFRI)	Arizona State University Auburn University Mississippi State University University of Louisville University of Maryland University of Puerto Rico	ASUB00000528 21-MREC-245851-UTENN 010500.322585.01 Z5245202 96040-Z5247202 2021-000021	\$ 6,617,313 78,711 32,562 53,278 22,898 1,134 <u>128,560</u>		

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		University of Wisconsin-Madison	2020-68014-31413	19,269	
		University of Wisconsin-Madison	0000001741	<u>45,588</u>	
				6,999,313	513,459
10.319	Farm Business Management and Benchmarking Competitive Grants Program	Kansas State University	A22-0062-S001	25,154	-
10.320	Sun Grant Program	South Dakota State University	3TF386	502,001	226,058
10.326	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	Illinois State University	A20-0062-S002	\$ 348,788 <u>1,508</u>	
				350,296	24,054
10.329	Crop Protection and Pest Management Competitive Grants Program			111,965	-
10.332	Agricultural Genome to Phenome Initiative	Iowa State University of Science and Technology	024256D	401	
10.500	Cooperative Extension Service			44,652	-
10.523	Centers of Excellence at 1890 Institutions	Delaware State University	21-157-HEH	\$ 92,869 41,036	
		Tuskegee University	30 32090 236 76190	40,425	
		University of Maryland Eastern Shore	2021-38427-34838	<u>1,611</u>	
				175,941	83,072
Subtotal National Institute of Food and Agriculture				<u>\$ 17,232,589</u>	<u>\$ 1,081,256</u>
Natural Resources Conservation Service					
10.072	Wetlands Reserve Program	The Nature Conservancy	SUBAWARD NO. 20180705-01 AMEND 1	\$ 427,724	\$ 87,104
10.902	Soil and Water Conservation	Clemson University	2473-207-2015718	\$ 294,582 704	
		Clemson University	2486-207-2025733	20,450	
		Mississippi State University	080100.330881.01	<u>2,613</u>	
				318,349	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
10.903	Soil Survey			56,641	-
10.912	Environmental Quality Incentives Program	Virginia Polytechnic Institute and State University	423512-19D43	\$ 17,514 99,864	-
				117,378	-
Subtotal Natural Resources Conservation Service				\$ 920,092	\$ 87,104
Rural Business Cooperative Service					
10.351	Rural Business Development Grant	Middle Tennessee Industrial Development	Unknown	\$ 39,656	\$ -
Subtotal Rural Business Cooperative Service				\$ 39,656	\$ -
Rural Development					
10.761	Technical Assistance and Training Grants	West Virginia University	16-425-UT-3	\$ 15,194	\$ -
10.864	Grant Program to Establish a Fund for Financing Water and Wastewater Projects			166,848	-
Subtotal Rural Development				\$ 182,042	\$ -
USDA, Office of the Chief Economist					
10.290	Agricultural Market and Economic Research			\$ 71,887	\$ 41,112
Subtotal USDA, Office of the Chief Economist				\$ 71,887	\$ 41,112
Other Programs					
10.RD	4-H CCMP 21-22		2020-JU-FX-0031	\$ 17,325	\$ -
10.RD	4-H NMP 2022		20721	11,969	-
10.RD	Open Market Consortium 22-24		332-77-22-2870	105,637	-
10.RD	USDA FS 22-CR-11330145-047 Papes		22-CR-11330145-047	75,603	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
10.RD	USDA FS CLT Treatment via Vacuum-Taylor		20-JV-11111136-041	14,166	-
10.RD	West VA Univ Sub16425UT2 Schwartz	West Virginia University	16-425-UT-2	27,146	-
Subtotal Other Programs				<u>\$ 251,846</u>	<u>\$ -</u>
Subtotal Department of Agriculture				<u>\$ 23,962,619</u>	<u>\$ 1,267,942</u>
Department of Commerce					
Economic Development Administration					
11.024	BUILD TO SCALE			\$ 29,167	\$ 4,185
11.303	Economic Development Technical Assistance			92,137	-
Subtotal Economic Development Administration				<u>\$ 121,304</u>	<u>\$ 4,185</u>
National Institute of Standards and Technology					
11.609	Measurement and Engineering Research and Standards			\$ 140,447	\$ -
Subtotal National Institute of Standards and Technology				<u>\$ 140,447</u>	<u>\$ -</u>
National Oceanic and Atmospheric Administration					
11.451	Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology	Louisiana State University	PO - 0000041309	\$ 836	\$ -
11.459	Weather and Air Quality Research			106,976	-
11.478	Center for Sponsored Coastal Ocean Research Coastal Ocean Program	Northeastern University	505161-78050	91,748	-
Subtotal National Oceanic and Atmospheric Administration				<u>\$ 199,560</u>	<u>\$ -</u>
Subtotal Department of Commerce				<u>\$ 461,311</u>	<u>\$ 4,185</u>

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Department of Defense					
Defense Advanced Research Projects Agency (DARPA)					
12.910	Research and Technology Development			\$ 4,713,751	\$ 1,243,172
Subtotal Defense Advanced Research Projects Agency (DARPA)				\$ 4,713,751	\$ 1,243,172
Defense POW/MIA Accounting Agency (DPAA)					
12.740	Past Conflict Accounting	Henry M. Jackson Foundation for the Advancement of Military Medicine	65544	\$ 80,345	
		Henry M. Jackson Foundation for the Advancement of Military Medicine	5823-65544	125,833	
				<u>206,178</u>	<u>\$ -</u>
Subtotal Defense POW/MIA Accounting Agency (DPAA)				\$ 206,178	\$ -
Defense Threat Reduction Agency (DTRA)					
12.351	Scientific Research - Combating Weapons of Mass Destruction	The Pennsylvania State University Vanderbilt University	S003345-DTRA UNIV 59030	\$ 98,413 <u>6,844</u>	<u>\$ 105,257</u> \$ -
Subtotal Defense Threat Reduction Agency (DTRA)				\$ 105,257	\$ -
Dept of Defense Education Activity (DODEA)					
Dept of the Air Force					
12.800	Air Force Defense Research Sciences Program	North Carolina State University	2019-1746-01	\$ 788,680	
		The Ohio State University	1000007277/GRT129788	8,143	
		University of Maryland, College Park	43324-Z8192001	76,295	
		University of Southern California	136796711	32,540	
		The Ohio State University	SPC-1000006889 GR129016	142,280	
				<u>30,272</u>	<u>\$ 1,078,210</u>
Subtotal Dept of the Air Force				\$ 1,078,210	\$ 132,846

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Dept of the Army					
12.420	Military Medical Research and Development			\$ 2,379,377	
		New York University	22-A0-00-1008054	7,667	
		Ohio State University	A23-0069-001	107,981	
		University of Arkansas at Little Rock	253248-20UTK	170,190	
		University of Arkansas at Little Rock	253283-20UTK	219,871	
		University of Pittsburgh	AWD0002988-4	36,217	
		University of Pittsburgh	Unknown	4,700	
		University of Utah	10050259 PRIM W81XWH182022	23,563	
				\$ 2,949,566	\$ 364,818
12.431	Basic Scientific Research			\$ 9,687,432	
		Harvard University	124045-5127007	44,151	
		Purdue University	13001035-003	88,628	
		University of Texas at Arlington	2022GC0531	8,232	
		University of Massachusetts Medical School	S51310000047443	31,163	
				9,859,606	39,907
Subtotal Dept of the Army				\$ 12,809,172	\$ 404,725
Dept of the Navy					
12.300	Basic and Applied Scientific Research			\$ 4,059,410	
		Oregon State University	N0356H-A	396,937	
		Strategic Ohio Council for Higher Education	SUBAWARD RQ19-TN-20-7- AFRL2 MOD 03, REVISED	170,326	
		Office of Naval Research	N00014-23-1-2685	7,130	
		Collaborative Composite Solutions Corporation	020-900-002	244,991	
				\$ 4,878,794	\$ 1,400,280
12.330	Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program	Office of Naval Research	N00014-20-1-2596	\$ 179,142 8,215	
				187,357	-
Subtotal Dept of the Navy				\$ 5,066,151	\$ 1,400,280

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
National Security Agency (NSA)					
12.902	Information Security Grants			\$ 305,141	\$ 24,452
12.903	GenCyber Grants Program	University of South Florida	1776-1084-00-D	\$ 91,238 4,613	-
12.905	CyberSecurity Core Curriculum			89,972	-
Subtotal National Security Agency (NSA)				\$ 490,964	\$ 24,452
Office of Local Defense Community Cooperation					
12.600	Community Investment	Collaborative Composite Solutions Corporation	SEAMTN-001	\$ 11,503	\$ -
Subtotal Office of Local Defense Community Cooperation				\$ 11,503	\$ -
Office of the Secretary of Defense					
12.630	Basic, Applied, and Advanced Research in Science and Engineering	Advanced Robotics for Manufacturing Institute	ARM-TEC-21-02-F-07	\$ 443,361 224,869	
		Battelle Memorial Institute	PO US001-0000504972 CO 35 MOD 32	269,260	
		Marshall University Research Corporation	PO RC-P2202134	2,938	
		Texas A&M University-Kingsville	S21-0125-UTK	2,627	
		Texas State University	22004-83835-1	85,037	
		University of Texas Health Science	SA0002244	91,799	
		University of Massachusetts Medical School	S51310000053343	55,118	
				\$ 1,175,009	\$ 227,931
Subtotal Office of the Secretary of Defense				\$ 1,175,009	\$ 227,931
Uniformed Services University of the Health Sciences (USUHS)					
12.750	Uniformed Services University Medical Research	The Geneva Foundation	11052-N19-B01	\$ 91,158	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		The Geneva Foundation	11052-N21-10	37,457	
		The Geneva Foundation	11166-N-22-A01	134,088	
				\$ 262,703	\$ -
Subtotal Uniformed Services University of the Health Sciences (USUHS)				\$ 262,703	\$ -
Other Programs					
12.005	Conservation and Rehabilitation of Natural Resources on Military Installations			\$ 153,834	\$ -
12.RD	AF AEDC FA910122FB007 Holst		FA910122FB007	659,478	-
12.RD	AF FA910119F0110 Moeller		FA910119F0110	6,486	-
12.RD	AF FA910120F0043 Gragston		FA910120F0043	335	-
12.RD	AF FA910122F0004 Acharya		FA910122F0004	18,572	-
12.RD	AF FA910122FB011 Kraft		FA910122FB011	55,854	-
12.RD	AF FA9101-23-FB-005 Moeller		FA9101-23-FB-005	1,657	-
12.RD	AF FA910123FB027 Acharya		FA910123FB027	16,775	-
12.RD	Assessing Camouflage Systems		W912HZ22P0016	31,186	-
12.RD	Cyber Resilient Electric Vehicle		H98230-22-1-0326	102,454	-
12.RD	DOD DLA SP470122C0060 Macias De Anda		SP470122C0060	239,253	-
12.RD	F-35 JPO N0001921P0012 Wheeler		N0001921P0012	3,178	-
12.RD	Fort Campbell Bat Roost Survey		CAMP-IGSA-20-02	133,011	-
12.RD	Fort Campbell Municipal Stormwater Implementation		CAMP-IGSA-20-03	114,817	-
12.RD	Fort Campbell Wetland Planning Survey		CAMP-IGSA-17-03	127,857	-
12.RD	GenCyber 2022		H98230-22-1-0109	68,541	-
12.RD	USACE W912HQ20C0046 Li		W912HQ20C0046	336,195	115,261

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
12.RD	Adaptive and Reconfigurable Sensor Elements and Networks for Monitoring Critical Infrastructure and Maneuver Corridors	Mississippi State University	SUB 060803.361377.02 MOD 4	27,287	-
12.RD	Application of Fracture Mechanics	Steel Founders' Society of America	Unknown	45,226	-
12.RD	CMI2 2023-ARL-TRACA-PP-UTK-001 Huang	Civil-Military Innovation Institute, Inc.	2023-ARL-TRACA-PP-UT	50,080	-
12.RD	Collaborative CS Corp 10-08-20 Schmitz	Collaborative Composite Solutions Corporation	Unknown	260,360	-
12.RD	Fort Campbell GIS TRACA APS Research Collaboration	Civil-Military Innovation Institute, Inc.	S911NF2120078	7,793	-
12.RD	Green Remediation of PFAS	Stevens Institute of Technology	2103453-02	1,803	1,803
12.RD	PSU S002593-ACC Task 6.2 DeSmidt	The Pennsylvania State University	S002593-ACC	67,216	-
12.RD	Stevens Institute PFAS in Soil-Essington	Stevens Institute of Technology	2103453-03	12,283	-
12.RD	Testing Digital Twins	Alion Science and Technology	SUB1158159-001	48,801	-
12.RD	Texas State Univ 21009-83485-2 Engel	Texas State University	21009-83485-2	56,405	-
12.RD	UCLA 0205 G XA214 Sarles	University of California, Los Angeles	0205 G XA214	197,610	-
12.RD	Univ of Dayton Res RSC19027 Coder	University of Dayton Research Institute	RSC19027	778,449	-
12.RD	Univ of Dayton Res RSC20008 TerMaath 412	University of Dayton Research Institute	RCS20008	1,659,807	-
12.RD	Univ of Dayton Res RSC20029 (52%) Zhang	University of Dayton Research Institute	RSC20029	1,087,142	-
12.RD	Univ of Dayton RSC21046 (52%) Task1 Ekici	University of Dayton Research Institute	RSC21046	1,283,997	-
12.RD	University of Kansas FY2019-098 Jantz	University of Kansas	FY2019-098	30,806	-
Subtotal Other Programs				<u>\$ 7,684,548</u>	<u>\$ 117,064</u>
Subtotal Department of Defense				<u>\$ 33,603,446</u>	<u>\$ 3,550,470</u>

Department of Housing and Urban Development

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Assistant Secretary for Policy Development and Research					
14.506	General Research and Technology Activity			\$ 62,448	\$ -
Subtotal Assistant Secretary for Policy Development and Research				\$ 62,448	\$ -
Other Programs					
14.241	Housing Opportunities for Persons with AIDS	Hope House Day Care Inc	A22-0127-001	\$ 56,856	\$ -
Subtotal Other Programs				\$ 56,856	\$ -
Subtotal Department of Housing and Urban Development				\$ 119,304	\$ -
Department of the Interior					
Bureau of Land Management					
15.245	Plant Conservation and Restoration Management			\$ 83,018	\$ -
Subtotal Bureau of Land Management				\$ 83,018	\$ -
National Park Service					
15.945	Cooperative Research and Training Programs – Resources of the National Park System			\$ 566,055	
		Furman University	P19AC00983	<u>9,266</u>	\$ 12,890
15.946	Cultural Resources Management			22,118	-
15.954	National Park Service Conservation, Protection, Outreach, and Education			1,826	-
Subtotal National Park Service				\$ 599,265	\$ 12,890
U.S. Fish and Wildlife Service					
15.608	Fish and Wildlife Management Assistance	Gulf States Marine Fisheries	FWS-801-037-2021-UT	\$ 25,828	\$ -

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
15.611	Wildlife Restoration and Basic Hunter Education and Safety	Alabama Department of Conservation and Natural Resources	F21AF03903	\$ 4,000 54,000	
		Alaska Department of Fish & Game	A22-0033-001	23,597	
		Kentucky Department of Fish & Wildlife Resources	PON2 660 2200002860 VERSION 1	35,284	
		Kentucky Department of Fish & Wildlife Resources	PON2 660 2200003279 VERSION 1	300,805	
		Louisiana Wildlife and Fisheries	PO 2000550300	7,931	
		North Carolina Wildlife Resources	WM-0322	<u>81,424</u>	
					507,041
					21,593
15.615	Cooperative Endangered Species Conservation Fund	Alabama Department of Conservation and Natural Resources	AL-E-F22AP01709		14,179
15.631	Partners for Fish and Wildlife				250,215
15.634	State Wildlife Grants				26,591
15.654	National Wildlife Refuge System Enhancements				8,418
15.657	Endangered Species Recovery Implementation	Kentucky Waterways Alliance	F15AC00372	\$ 140,563 11,367	
		Kentucky Waterways Alliance	F20AC11642	<u>3,216</u>	
					155,146
15.678	Cooperative Ecosystem Studies Units	Marshall University Research	SUB P2301335	\$ 23,776 <u>28,649</u>	
					52,425
15.684	White-nose Syndrome National Response	Texas Parks and Wildlife Dept	F21AP04160	\$ 36,308 <u>12,741</u>	
					49,049
Subtotal U.S. Fish and Wildlife Service				<u>\$ 1,088,892</u>	<u>\$ 21,593</u>
U.S. Geological Survey					
15.805	Assistance to State Water Resources Research Institutes			\$ 183,620	\$ 62,874

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
15.807	Earthquake Hazards Program Assistance			330,579	-
15.808	U.S. Geological Survey Research and Data Collection			1,132,777	-
15.810	National Cooperative Geologic Mapping			41,071	-
15.812	Cooperative Research Units			149,908	-
15.820	National and Regional Climate Adaptation Science	North Carolina State University North Carolina State University	2017-1878-07 2022-1413-01	\$ 4,222 <u>133,391</u>	-
				<u>137,613</u>	-
Subtotal U.S. Geological Survey				\$ 1,975,568	\$ 62,874
Other Programs					
15.663	NFWF-USFWS Conservation Partnership			\$ 52,198	\$ -
15.RD	USDI-NPS-GSMNP Sediment Core Pale Horn		Unknown	895	-
15.RD	DOI BLM Bat Foraging-Willecox		Unknown	10,406	-
15.RD	NC State Univ 2020-2689-02 Armsworth	North Carolina State University	2020-2689-02	3,797	-
15.RD	NCSU 2022-1413-01 Armsworth	North Carolina State University	2021-0784-01	<u>47,315</u>	-
Subtotal Other Programs				\$ 114,611	\$ -
Subtotal Department of the Interior				\$ 3,861,354	\$ 97,357
Department of Justice					
Office of Justice Programs					
16.123	Community-Based Violence Prevention Program			\$ 194,829	\$ -
16.543	Missing Children's Assistance			143,202	-
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			\$ 270,087	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		Colorado State University	G-40348-06	9,309	
				279,396	-
16.738	Edward Byrne Memorial Justice Assistance Grant	City of Memphis Police Department	Unknown	221	-
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	National Alliance on Mental Illness (NAMI) Tennessee	Unknown	2,083	-
16.812	Second Chance Act Reentry Initiative	Shelby County Office of Reentry	PO41576	7,340	-
16.825	Smart Prosecution Initiative	Shelby County District Attorney General's Office	Unknown	21,808	-
16.831	Children of Incarcerated Parents	Rutherford County	0007-MTSU	13,294	-
16.833	National Sexual Assault Kit Initiative	City of Memphis Police Department	36363	32,386	-
Subtotal Office of Justice Programs				\$ 694,559	\$ -
Other Programs					
16.RD	West Virginia Univ 09-097GGG-UT Steadman	West Virginia University	09-097GGG-UT	\$ 185,268	\$ -
Subtotal Other Programs				\$ 185,268	\$ -
Subtotal Department of Justice				\$ 879,827	\$ -
Department of State					
Bureau of Educational and Cultural Affairs					
19.009	Academic Exchange Programs - Undergraduate	World Learning	CBSA18-UTAG01	\$ 6,391	\$ -
Subtotal Bureau of Educational and Cultural Affairs				\$ 6,391	\$ -
Bureau of International Security and Nonproliferation					
19.033	Global Threat Reduction			\$ 350,735	\$ 44,945
Subtotal Bureau of International Security and Nonproliferation				\$ 350,735	\$ 44,945

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Office of the Under Secretary for Public Diplomacy and Public Affairs					
19.040	Public Diplomacy Programs	Partner of the Americas	100K-DOS253-UTK09FCA	\$ 9,549	\$ -
Subtotal Office of the Under Secretary for Public Diplomacy and Public Affairs				\$ 9,549	\$ -
Other Programs					
19.RD	Assessing the Water Quality of the Shatt Al-Arab River in Basra Governorate and Developing Potential Mitigation Measures Through Student Driven Research	International Research and Exchanges Board	FY21-HEP20-TTU-01 MOD #1	\$ 340	\$ -
Subtotal Other Programs				\$ 340	\$ -
Subtotal Department of State				\$ 367,015	\$ 44,945
Department of Transportation					
Federal Aviation Administration					
20.109	Air Transportation Centers of Excellence			\$ 140,192	\$ 6,500
Subtotal Federal Aviation Administration				\$ 140,192	\$ 6,500
Federal Highway Administration					
20.200	Highway Research and Development Program	Texas A&M Transportation Institute	M2300314	\$ 2,142	\$ -
20.205	Highway Planning and Construction	Auburn University Florida Atlantic University	22-HRC-223206-MTSU Unknown	\$ (14) 233,426	-
Subtotal Federal Highway Administration				\$ 235,554	\$ -
Federal Transit Administration					
20.530	Public Transportation Innovation			\$ 83,107	\$ -

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Subtotal Federal Transit Administration				\$ 83,107	\$ -
Office of the Secretary					
20.701	University Transportation Centers Program				
		Florida Atlantic University	Unknown	\$ 200,558	
		Georgia Institute of Technology	AWD-001419-G2	207,537	
		North Carolina Agricultural and Technical State University	270204F	2,291	
		University of Florida	SUB UFDSP00011677	70,365	
		University of North Carolina at Chapel	5106576	671,443	
		Washington State University	135461 G004205	49,125	
				<u>\$ 1,201,319</u>	<u>\$ 49,125</u>
Subtotal Office of the Secretary				<u>\$ 1,201,319</u>	<u>\$ 49,125</u>
Other Programs					
20.RD	FRA Women in Rail		693JJ622C000034	\$ 61,305	\$ -
20.RD	Intelligent Transportation Systems Professional Capacity Capacity Building 23-24		6913G623P800016 6913G621P800022	\$ 21,331 <u>22,680</u>	-
				44,011	-
20.RD	Fed Railroad Admin	693JJ622C000046	Liese	226,007	-
20.RD	Minority Scholars RR/HWY Safety		693JJ622C000035	72,414	-
				<u>\$ 403,737</u>	<u>\$ -</u>
Subtotal Other Programs				<u>\$ 403,737</u>	<u>\$ -</u>
Subtotal Department of Transportation				<u>\$ 2,063,909</u>	<u>\$ 55,625</u>
Appalachian Regional Commission					
Other Programs					
23.002	Appalachian Area Development	Upper Cumberland Development	AGREEMENT UNDER PRIME PW-19315-IM-B	\$ 262,361	\$ -
23.011	Appalachian Research, Technical Assistance, and			112,594	-
				<u>112,594</u>	<u>-</u>

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Subtotal Other Programs				\$ 374,955	\$ -
Subtotal Appalachian Regional Commission				\$ 374,955	\$ -
National Aeronautics and Space Administration					
Other Programs					
43.001	Science			\$ 1,087,931	
		Arizona State University	01-082 AMEND # 36	3,531	
		Arizona State University	10-254	60,425	
		Georgia Institute of Technology	AWD-002535-G1	282,753	
		Northern Arizona University	SUBAWARD 10050321-01	16,341	
		Planetary Science Institute	1639-UTK	51,901	
		Planetary Science Institute	1665-UTK	38,378	
		Smithsonian Institution	AR8-19001A	1,678	
		Southwest Research Institute	P99085EH	4,035	
		University of North Carolina at Chapel	SUBAWARD 5121650	23,972	
		University of North Carolina at Chapel	SUBAWARD 5127072	27,226	
		University of Arizona	588222	97,017	
				\$ 1,695,188	\$ 249,617
43.002	Aeronautics				351,364
					294,187
43.008	Office of Stem Engagement (OSTEM)			\$ 58,999	
		J.F. Drake State Community and Technical College	20210901-MTSU-2	144,499	
		Vanderbilt University	61847	20,823	
		Vanderbilt University	8ONSSC20M0126	28,058	
		Vanderbilt University	OSA00000026	1,203	
		Vanderbilt University	OSA00000064	15,000	
		Vanderbilt University	UNIV61861	1,565	
		Vanderbilt University	UNIV61857	82,065	
					352,212
					15,000
43.009	Safety, Security and Mission Services				26,724
					-
43.012	Space Technology			\$ 265,414	
		Auburn University	22-AMSTC-209400-UTNK	134,258	
					399,672
					-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
43.RD	Deep Molecular Survey		JWST-GO-01633.002-A	8,762	-
43.RD	AGN Feeding NGC 4151	Space Telescope Science Institute	JWST-AR-02554.001-A	11,417	-
43.RD	Johns Hopkins (JHUAPL) 164325 Thomson	Johns Hopkins University	164325	13,539	-
43.RD	Univ of New Hampshire 11-107-10 Townsend	University of New Hampshire	11-107	106,968	-
Subtotal Other Programs				<u>\$ 2,965,846</u>	<u>\$ 558,804</u>
Subtotal National Aeronautics and Space Administration				<u>\$ 2,965,846</u>	<u>\$ 558,804</u>
National Endowment for the Humanities					
Other Programs					
45.169	Promotion of the Humanities Office of Digital Humanities			\$ 310,194	\$ -
45.RD	AIA NEH Grant Simek	Archaeological Institute of America	Unknown	29,920	-
Subtotal Other Programs				<u>\$ 340,114</u>	<u>\$ -</u>
Subtotal National Endowment for the Humanities				<u>\$ 340,114</u>	<u>\$ -</u>
National Science Foundation					
Other Programs					
47.083	Integrative Activities			\$ 386,323	
		Vanderbilt University	OSA00000167	3,490	
		University of Florida	SUB00003614	39,736	
				<u>\$ 429,549</u>	\$ -
47.084	NSF Technology, Innovation, and Partnerships			\$ 80,327	
		Vanderbilt University	OSA00000168	15,319	
				95,646	60,319
47.041	Engineering			\$ 5,992,954	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		University of Missouri	C00081987-1	8,184	
		Mississippi State University	060700.364052.01	20,771	
		Rowan University	SUBAWARD 50972-2	121	
		The Ohio State University	GR125414	35,304	
		The Ohio State University	SPC-1000006998	118,093	
		The University of Central Florida	16266213	6,137	
		Tuskegee University	SUB 342242021176190	10,232	
		University Industry Demonstration Partnership	Unknown	140,074	
		University of Michigan	SUBK00014872	11,855	
		Vanderbilt University	UNIV62410	30,956	
		Vanderbilt University	62476	37,547	
		Vanderbilt University	UNIV61170	25,904	
					6,438,132
47.049	Mathematical and Physical Sciences			\$ 7,787,939	
		Cornell University	79433-20690	33,115	
		Space Telescope Science Institute	HST-AR-15794.004-A	15,986	
		Space Telescope Science Institute	HST-GO-15822.002-A	5,965	
		Space Telescope Science Institute	HST-GO-16060.002-A	6,258	
		Space Telescope Science Institute	HST-GO-16170.002-A	16,569	
		The Pennsylvania State University	S003416-NSF	7,459	
		Tulane University	TUL-SCC-560243-22/23	6,978	
		University of Arizona	675677	2,904	
		University of Arizona	682836	36,874	
		University of Cincinnati	013086-002	14,392	
					7,934,439
47.050	Geosciences			\$ 1,628,255	
		Appalachian State University	A20-0031-S0001-A02	28,299	
		Bowling Green State University	10010192-UNT07	61,089	
		Columbia University	63B (GG009393-04)	6,426	
		Columbia University	63C(GG009393-04)	9,521	
		Columbia University	63D (GG009393-04)	44,438	
		Iowa State University of Science and Technology	118062982	24,374	
		Iowa State University of Science and Technology	026278A	12,597	
		Vanderbilt University	OSA00000157	12,192	
					1,827,191
47.070	Computer and Information Science and Engineering			\$ 7,445,122	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		Arizona State University	ASUB00001072	14,783	
		Colorado State University	SUBAWARD G-63101-01	52,461	
		Columbia University	GG017134-01	2,717	
		Northeastern University	SUBAWARD 502864-78052	41,429	
		Texas Tech University	21P656-01	8,044	
		The Ohio State University	60076766	5,924	
		University of Illinois	083842-16054	422,015	
		University of Illinois	106262-18706	30,789	
		University of Pittsburgh	AWD00004485 012686-4	51,773	
		University of Utah	10061946-TENN-04	165,429	
		Vanderbilt University	UNIV61697	37,385	
		Virginia Polytechnic Institute and State University	SUBAWARD 480322-19C95	4,584	
		Wayne State University	SUBAWARD WSU20075	3,434	
		Wayne State University	WSU18078-A1	35,860	
				<hr/>	
					8,321,749
					736,485
47.074	Biological Sciences			\$ 6,415,920	
		Colorado State University	G-02695-02	14,714	
		Emory University	A794381	4,184	
		Michigan State University	RC113764UT	94,225	
		North Carolina State University	2019-1753-01	107,924	
		Rutgers, The State University of New Jersey	1293	85,060	
		Texas A&M University Health Science Center	DEB-1937815	20,156	
		Tufts University	NSF026 PO#EP0170440	62,142	
		University of Texas at El Paso	226101097C	11,943	
				<hr/>	
					6,816,268
					189,847
47.075	Social, Behavioral, and Economic Sciences			\$ 1,600,828	
		Iowa State University of Science and Technology	023608A	15,615	
		The Pennsylvania State University	5634-UT-NSF-0274	25,099	
		University of Texas at Dallas	1907919	44,195	
		University of North Carolina at Wilmington	583420-22-01 Memphis-SUB- INT	4,756	
				<hr/>	
					1,690,493
					505,015
47.076	Education and Human Resources			\$ 9,268,090	
		Auburn University	21-COSAM-200840-MTSU	17,362	
		Auburn University	21-COSAM-200840-UTNK	17,332	

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		California State University San Marcos	SUBAWARD 92240-85026-TTU AMEND 5	20,199	
		Harford Community College	2020-002	18,962	
		Indian River State College	SUB-2202050-3	18,197	
		Indiana University-Purdue University Indianapolis	8091	2,843	
		Lorain County Community College	2000539	5,727	
		North Carolina State University	2020-2161-02	24,800	
		Northern Arizona University	1003773-01	22,971	
		Prairie View A & M University	M1800172-S180501	8,077	
		Somerset Community College	SUBAWARD UNDER PRIME DUE-1902437	80,989	
		Somerset Community College	SUBAWARD UNDER PRIME DUE-2055722	9,411	
		University of Nebraska	23-0536-0062-003	17,596	
		University of Virginia	200507	180,913	
		University of Illinois	097040-18685	67,708	
		University of Illinois	SUB 097040-17608	22,634	
		University of Maryland	115552-Z3953202	15,673	
		Washington State University	140550 SPC004168	32,276	
		Whatcom Community College	SUBAWARD UNDER	31,058	
		Virginia Tech	480801-19C22	17,479	
		Georgia Tech Foundation	AWD-003005-G2	42,660	
		Fisk University	2117087	18,289	
		Tuskegee University	34-21220001-76190	35,906	
				9,997,152	312,723
47.078	Polar Programs			413,323	97,764
47.079	Office of International Science and Engineering			\$ 315,889	
		University of Georgia	SUB00002310	3,174	
		University of South Dakota	SUBAWARD UP1700296-TTU1 AMEND 06	42,522	
				361,585	-
47.RD	Univ of MN A008256501 McFarlane Year 1	University of Minnesota, Twin Cities	A008256501	47,126	-
47.RD	Univ of Alabama A23-0178-S001 Zhou	The University of Alabama	A23-0178-S001	60,709	-
Subtotal Other Programs				\$ 44,433,362	\$ 2,462,203
Subtotal National Science Foundation				\$ 44,433,362	\$ 2,462,203

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Smithsonian Institution					
Other Programs					
60.RD	Smithsonian Science for the Classroom: Improving Achievement Across State Borders and State Standards	Smithsonian Institution	Unknown	\$ 142,113	\$ -
Subtotal Other Programs				\$ 142,113	\$ -
Subtotal Smithsonian Institution				\$ 142,113	\$ -
Tennessee Valley Authority					
Other Programs					
62.RD	Three3 Dated 12.2.2022 Ellis	Three3	Unknown	\$ 177,014	\$ -
62.RD	TVA 7006338 Power Signals Reising 22-Yr		PO 7006338	98,173	-
62.RD	TVA 99998950 PO 7403570 Horn		99998950 PO 7403570	5,721	-
62.RD	TVA Expand the UT Tree - Schlarbaum		PO 6944694	4,025	-
62.RD	TVA FY23 Tree Improvement-Schlarbaum		PO 7402124	9,966	-
62.RD	TVA FY23 -UTK-Bat Research-Willcox		7428949	7,138	-
62.RD	TVA Native Plant Comm FY21-Harper		PO 6925517	5,734	-
62.RD	TVA Native Plant Comm FY22-Harper		PO 7282531	23,697	-
62.RD	TVA P.O. 7077181 Collett		99998950 PO7077181	259,872	-
62.RD	TVA PO#6345935(99998950)(3yr 53) Kessler		PO#6345935(99998950)	61,975	-
62.RD	TVA Summer Tri-Colored Bats 2022-Willcox		PO 7178004	11,711	-
62.RD	TVA Tree Improvement FY 17-Schlarbaum		2646637/3357438	7,675	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
62.RD	Wildlife Research-Reptile/Amph18-23		Unknown	8,039	-
62.RD	Ocoee Trust Fund		AGREEMENT 6673694	\$ 7,020	
			PO 6286251	306	
			PO 7189265	185,705	
			PO 7339124	195,014	
			PO 7408582	132,191	
				<u>520,236</u>	<u>-</u>
Subtotal Other Programs				\$ 1,200,976	\$ -
Subtotal Tennessee Valley Authority				\$ 1,200,976	\$ -
Department of Veterans Affairs					
VA Health Administration Center					
64.054	Research and Development			\$ 1,515,111	\$ -
Subtotal VA Health Administration Center				\$ 1,515,111	\$ -
Other Programs					
64.RD	Support of Veterans Service Office		Unknown	\$ 12,288	\$ -
64.RD	US Dept of Veterans Dated8.14.20Langston		Unknown	23,294	-
64.RD	VA IPA Agreement - Chumbler FY22		22-1278IPAVHAFAE	44,166	-
Subtotal Other Programs				\$ 79,748	\$ -
Subtotal Department of Veterans Affairs				\$ 1,594,859	\$ -
Environmental Protection Agency					
Other Programs					
66.034	Surveys, Studies, Research, Investigations,	Shelby County Health Department	CA2220060	\$ 110,980	\$ -
66.461	Regional Wetland Program Development Grants			142,846	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
66.814	Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	Kansas State University	SA17197	91,814	-
Subtotal Other Programs				\$ 345,640	\$ -
Subtotal Environmental Protection Agency				\$ 345,640	\$ -
Nuclear Regulatory Commission					
Other Programs					
77.008	U.S. Nuclear Regulatory Commission Scholarship and			\$ 351,730	\$ 51,899
Subtotal Other Programs				\$ 351,730	\$ 51,899
Subtotal Nuclear Regulatory Commission				\$ 351,730	\$ 51,899
Department of Energy					
Office of Energy Justice and Equity					
81.137	Minority Economic Impact			\$ 380,495	\$ -
Subtotal Office of Energy Justice and Equity				\$ 380,495	\$ -
Other Programs					
81.049	Office of Science Financial Assistance Program			\$ 11,778,045	
	Murray State University		DE-SC022228	10,888	
	Case Western Reserve University		RES5813718	351,000	
	Duke University		323-0298	60,463	
	Georgia Institute of Technology		AWD-102138-G1	57,423	
	Michigan State University		RC111555 - MTSU	57,699	
	Northwestern University		60063420 UTN	78,664	
	The Pennsylvania State University		S003601-USDOE	43,085	
	University of California, San Diego		705730	8,986	
	University of California, Davis		A18-0253-S001	175,274	
	University of Chicago		FP069705	31,812	
	University of Washington		UWSC14344	30,969	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		Virginia Polytechnic Institute and State State University	429447-19121	87,637	
				\$ 12,771,945	\$ 998,865
81.086	Conservation Research and Development			\$ 2,255,974	
		Chattanooga Area Regional Transportation Authority	DE-EE0009212 SUB	7,305	
		North Carolina State University	2014-0654-85	3,573	
		North Carolina State University	2014-0654-95	58,126	
		The University of Alabama	A19-0455-S001	16,192	
		University of Texas at Austin	SUB UTAUS-	147,620	
		The Pennsylvania State University	S002932-USDOE	26,495	
		UChicago Argonne LLC	2F-60130	10,544	
				2,525,829	1,067,889
81.087	Renewable Energy Research and Development			\$ 3,444,655	
		REMADE Institute	20-01-MM-4044	127,394	
		Texas A&M University	M2204020	35,923	
		Texas A&M University	M2001873	29,013	
				3,636,985	87,919
81.089	Fossil Energy Research and Development				162,559
81.112	Stewardship Science Grant Program			\$ 201,444	
		Texas A&M University	M2100674	104,670	
		University of Illinois at Chicago	17996	77,960	
				384,074	-
81.113	Defense Nuclear Nonproliferation Research			\$ 884,705	
		University of California	00010838	237,080	
		University of Michigan	PO 3005795617		
				1,121,785	-
81.121	Nuclear Energy Research, Development and Demonstration			\$ 3,622,275	
		North Carolina State University	2022-2822-01	16,507	
		University of California, Los Angeles	SUB 0121 G XA099	7,579	
		University of Cincinnati	013271-002	120,850	
		University of Illinois	SUB 097183-17666	116,892	
		University of Michigan	SUBK00012631	47,271	
				3,931,374	1,304,598
81.123	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	North Carolina Agricultural and Technical State University	270136A	\$ 39,164	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		Prairie View A&M University	M2000610-S200501	222,919	
		University of Texas	226160671C	<u>140,082</u>	402,165
					402,165
81.124	Predictive Science Academic Alliance Program	University of Colorado	1559909	\$ 82,275	
		University of New Mexico	66033-87H2	<u>267,728</u>	350,003
					-
81.135	Advanced Research Projects Agency - Energy	Mississippi State University	080100.331947.02	\$ 2,046,486	
		Research Foundation for the State of New York	1176279-2-94863	96,142	
		Research Foundation for the State of New York	90589/2/1166708	268,391	
				<u>166,045</u>	2,577,064
					608,805
81.RD	Pressure and stress contributions		DE-SC0022534		131,935
					35,417
81.RD	Vent Gas Failure Propagation in Grid-Scale Battery	Sandia National Laboratories	Unknown		101,867
					-
81.RD	Alliance Sustain Energy 2021-10753 Liu	Alliance for Sustainable Energy, LLC	SUB-2021-10753		51,968
					-
81.RD	Ames Laboratory SC-19-497 Jagode		SC-19-497		1,520
					-
81.RD	Ames Laboratory SC-20-530 3.3.16 Subcont		SC-20-530		560,618
					-
81.RD	Ames Laboratory SC-20-531 (52%) Keffer		SC-20-531		122,383
					-
81.RD	Argonne Natl Lab 1F-60426 Taufer		1F-60426		35,599
					-
81.RD	Argonne Natl Lab IF-60259 (52%) Sun		IF-60259		89,939
					-
81.RD	Battelle Energy Alliance 259902 Brown		259902		112,789
					-
81.RD	Battelle Energy Alliance 262448 Maldonado		262448		140,088
					-
81.RD	Battelle Energy Alliance 265480 Maldonado		265480		136,004
					-
81.RD	Battelle Mem Inst PO 0000855677 Acharya	Battelle Memorial Institute	PO 0000855677		24,059
					-
81.RD	Brookhaven National Lab 420542 Dai		420542		9,530
					-
81.RD	CNS 4300171881 Kobza		4300171881		182,145
					-

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<u>AL#</u>	<u>Program Name</u>	<u>Passed Through From</u>	<u>Other Identifying Number</u>	<u>Total Expenditures/Issues</u>	<u>Expenditures/Issues Passed Through to Subrecipients</u>
81.RD	CNS 4300172570 Kallstrom		4300172570	35,700	-
81.RD	CNS 4300175223 Allard		4300175223	101,474	-
81.RD	CNS 4300175264 Medal		4300175264	120,045	-
81.RD	CNS 4300176247 Allard		4300176247	81,681	-
81.RD	CNS LLC 4300171210 Berg		4300171210	13,749	-
81.RD	CNS LLC 4300161270 Hall		4300161270	56,858	-
81.RD	CNS LLC 4300163177 Nuc Analytic CNS Hall		4300163177	56,101	-
81.RD	CNS LLC 4300164790 Allard		4300164790	21,880	-
81.RD	CNS LLC 4300168494 Hall		4300168494	220,312	-
81.RD	CNS LLC 4300170179 Cathey		4300170179	45,055	-
81.RD	CNS LLC 4300171246 Allard		43000171246	62,445	-
81.RD	CNS LLC 4300171267 Rack		4300171267	34,715	-
81.RD	CNS LLC 4300171816 Jin		4300171816	17,066	-
81.RD	CNS LLC 4300171960 Allard		4300171960	69,238	-
81.RD	CNS LLC 4300171965 Allard		4300171965	124,663	-
81.RD	CNS LLC 4300171975 Allard		4300171975	76,494	-
81.RD	CNS LLC 4300172119 Cathey		4300172119	53,703	-
81.RD	CNS LLC 4300172525 Li		4300172525	79,259	-
81.RD	CNS LLC 4300175493 Allard		4300175493	113,583	-
81.RD	CNS LLC 4300176116 Li		4300176116	363,548	-
81.RD	CNS LLC 4300176397 Yu		4300176397	123,949	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
81.RD	CNS LLC 4300176594 Haywood		4300176594	43,330	-
81.RD	CNS LLC 4300176869 Li		4300176869	238,767	-
81.RD	CNS LLC 4300178381 Cathey		4300178381	30,756	-
81.RD	CNS LLC 4300178445 Allard		4300178445	73,433	-
81.RD	CNS LLC 4300178463 Allard		4300178463	84,290	-
81.RD	CNS LLC 4300178612 Berg		4300178612	70,812	-
81.RD	CNS LLC 4300178680 Allard		4300178680	48,136	-
81.RD	CNS LLC 4300178747 Counce		4300178747	119,923	-
81.RD	CNS LLC 4300179234 Schmitz		4300179234	10,782	-
81.RD	CNS LLC 4300179269 Kallstrom		4300179269	25,914	-
81.RD	CNS LLC 4300180988 Hines		4300180988	5,915	-
81.RD	CNS LLC 4300181133 Allard		4300181133	11,351	-
81.RD	CNS, LLC 4300168808 (53%) Lukosi		4300168808	8,487	-
81.RD	CNS, LLC 4300168952 (52%) Babu		4300168952	20,924	-
81.RD	CNS, LLC 4300170395 Hayward		4300170395	39,508	-
81.RD	CNS, LLC 4300171451 Schmitz		4300171451	20,344	-
81.RD	CNS, LLC 4300171907 Li		4300171907	184,871	-
81.RD	CNS, LLC 4300172295 Counce		4300172295	95,611	-
81.RD	CNS, LLC 4300172350 Hayward		4300172350	142,214	-
81.RD	CNS, LLC 4300172696 Hayward		4300172696	86,604	-
81.RD	CNS, LLC 4300172734 Hayward		4300172734	11,757	-
81.RD	CNS, LLC 4300173153 Rack		4300173153	154,047	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
81.RD	CNS, LLC 4300173172 Counce		4300173172	6,829	-
81.RD	CNS, LLC 4300176243 Schmitz		4300176243	49,436	-
81.RD	CNS, LLC 4300176745 Hayward		4300176745	218,932	-
81.RD	CNS, LLC 4300176809 Hayward		4300176809	28,325	-
81.RD	CNS, LLC 4300177202 Jared		4300177202	49,831	-
81.RD	CNS, LLC 4300180851 Jared		4300180851	7,629	-
81.RD	Collaborative CS Corp CORE-CM001 CS Sims	Collaborative Composite Solutions	CORE-CM-001	184,836	35,833
81.RD	CURRENT Membership - Federal - Liu		Unknown	79,921	-
81.RD	Development and Improvement of High-Resolution	Oak Ridge National Laboratory	SUBCONTRACT 4000164401	40,449	-
81.RD	FERMI Research Alliance 656578 Spanier		656578	8,831	-
81.RD	FERMI Research Alliance 677750 Spanier		677750	19,707	-
81.RD	FERMI Research Alliance 688496 Lee		688496	36,127	-
81.RD	Honeywell FM&T LLC N000040054 Hall		PO# N000040054	315,253	-
81.RD	Honeywell FM&T LLC N000046035 Hall		PO# N000046035	83,571	-
81.RD	Honeywell FM&T LLC N000417962 Dadmun		N000417962	89,772	-
81.RD	Honeywell FM&T LLC N000418065 Kilbey		N000418065	30,745	-
81.RD	Honeywell FM&T LLC N000429722 Compton		N000429722	93,308	-
81.RD	Honeywell FM&T LLC N000432601 Dadmun		N000432601	51,291	-
81.RD	Honeywell FM&T LLC N000471446 Dadmun		N000471446	69,072	-
81.RD	Honeywell FM&T LLC N000471764 Kilbey		N000471764	44,848	-
81.RD	Honeywell FM&T LLC N000472250 Dadmun		N000472250	13,253	-

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
81.RD	Honeywell FM&T LLC N000472258 Compton		N000472258	65,031	-
81.RD	Honeywell FM&T N000450519 Advincula		N000450519	100,000	-
81.RD	Honeywell FMT LLC N000033326 52% Starks		N000033326	79,162	-
81.RD	Jefferson Science Assoc 22-D0339 Fomin	Jefferson Science Associates, LLC	22-D0339	62,352	-
81.RD	LANL 631186 Dadmun		631186 EP105688	101,664	-
81.RD	Lawrence Berk Nat Lab 7547454 Hayward		7547454	23,518	-
81.RD	Lawrence Berkeley Nat Lab 7596140 Hazen		7596140	515,441	-
81.RD	LLNL B635004 Fu		B635004	125,126	-
81.RD	LLNL B639298 Taufer		B639298	75,190	-
81.RD	LLNL B639759 SLATE Anzt		B639759	205,423	-
81.RD	LLNL B642655 52% Taufer		B642655	139,983	-
81.RD	LLNL B643088 Anzt		B643088	48,980	-
81.RD	LLNL B648960 Luszczyk		B648960	42,041	-
81.RD	LLNL B651056 Bogetic		B651056	48,308	-
81.RD	LLNL B653802 Tomov		B653802	66,475	-
81.RD	LLNL B654227 Luszczyk		B654227	124,186	-
81.RD	LLNL B656372 Sobes		B656372	31,653	-
81.RD	LLNL B657342 Bogetic		B657342	29,888	-
81.RD	LLNL B658309 Bogetic		B658309	20,426	-
81.RD	LLNL HPC B659144 Skjellum 23		B659144	4,388	-
81.RD	Los Alamos Natl Lab 18398 Batista		18398 EP49325 C1986	44,839	-
81.RD	Los Alamos Natl Lab 425211 52% Wirth		425211	145,004	-

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
81.RD	Los Alamos Natl Lab 578453 C3268 Wirth		578453 C3268	69,875	-
81.RD	Los Alamos Natl Lab 578735 52% Taufer		578735 EP137142	74,580	-
81.RD	Los Alamos Nat'l Lab CW13068 Lukosi		CW13068_EP104666	120,665	-
81.RD	Los Alamos Nat'l Lab CW13617 Hayward		CW13617-EP35246C1545	109,553	-
81.RD	Natl Renewable E Sub-2021-10575 Li (52%)	National Renewable Energy Laboratory	SUB-2021-10575	28,074	-
81.RD	Network Attack Detection in Controller Area Networks Heavy Vehicles	Oak Ridge National Laboratory	SUBCONTRACT CW39426	32,775	-
81.RD	NREL SUB-2022-10046 Sun		SUB-2022-10046	156,507	-
81.RD	NREL SUB-2023-10236 Singh		SUB-2023-10236	31,808	-
81.RD	Nuclear Hybrid Energy Systems: Desalination Case	Oak Ridge National Laboratory	SUBCONTRACT 4000153274	4,398	-
81.RD	Pack Aluminide Coatings on F82H Alloy	Oak Ridge National Laboratory	PO 4000205045 VERSION 2	20,053	-
81.RD	Pack Aluminide Coatings on Ti-Containing Ni-base	Oak Ridge National Laboratory	PO 4000204172 VERSION 1	13,448	-
81.RD	Proof of Concept of Steel to AL Alloy Transitions Joints Wire Additive Manufacturing	Oak Ridge National Laboratory Oak Ridge National Laboratory	PO 4000200876 VERSION 2 PO 4000206210 VERSION 1	\$ 14,982 15,750	-
				30,732	-
81.RD	Sandia Nat Lab 2471789 Huang		2471789	9,517	-
81.RD	Sandia Nat Lab PO 2464477 Hattar		PO2464477	41,457	-
81.RD	Sandia Nat Lab PO 2464531 Hattar		2464531	11,400	-
81.RD	Sandia Nat Lab PO 2467178 Hattar		PO 2467178	2,794	-
81.RD	Sandia National Lab 2434466 Bosilca		2434466	40,462	-
81.RD	Sandia National Lab PO 2179955 (53)Taufe		PO 2179955	78,756	-
81.RD	Sandia National Lab PO 2320808 Bosilca		2320808	26,874	-
81.RD	Sandia National Lab PO 2335792 Dai		PO 2335792	154,762	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
81.RD	Sandia National Lab PO 2344212 Yu		PO 2344212	7,987	-
81.RD	Sandia National Lab PO 2421545 Schuman		PO 2421545	24,005	-
81.RD	Sandia National Lab PO2149053 51Luszczek		PO 2149053	224,337	-
81.RD	Sandia PO2214846 ATSE Spack Skjellum 21		PO 2214846	75,315	-
81.RD	UCOR SC-20-054005 (53%) Dolislager		SC-20-054005	12,506	-
81.RD	UCOR Senior Design Stanfill		Unknown	9,291	-
81.RD	Univ of Michigan SUBK00008627 Wirth	University of Michigan	SUBK00008627	185,346	-
81.RD	Univ Texas-SanAntonio CyManII 4891-1 Jin	University of Texas at San Antonio	1000004891-1	36,873	-
81.RD	UT-Battelle		B0199BTL	21,441,408	-
Subtotal Other Programs				\$ 59,660,123	\$ 4,541,491
Subtotal Department of Energy				\$ 60,040,618	\$ 4,541,491
Department of Education					
Institute of Education Sciences					
84.305	Education Research, Development and Dissemination			\$ 721,680	
	Educational Testing Services		UoM-ED-305A SOW 01	30,208	
	Georgia State University		SP00015050-01	59,865	
	Georgia State University		SP00015519-02	70,206	
	Michigan State University		RC113591-UTK	44,317	
	University of Delaware		51192	29,249	
	University of Massachusetts		22-016431-B-00	39,931	
	University of Virginia		AWD-002325.GR100529	34,487	
				\$ 1,029,943	\$ 118,799
84.324	Research in Special Education			\$ 632,594	
	Georgia State University		SP00013866-04	36,041	
	University of North Carolina at Charlotte		1015455-ETSU	94,980	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
				763,615	38,996
Subtotal Institute of Education Sciences				\$ 1,793,558	\$ 157,795
Office of Career, Technical, and Adult Education					
84.051	Career and Technical Education -- National Programs			\$ 115,374	\$ -
Subtotal Office of Career, Technical, and Adult Education				\$ 115,374	\$ -
Office of Elementary and Secondary Education					
84.184	School Safety National Activities			\$ 28,729	\$ -
84.215	Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects Secondary Education Community Projects			734,208	-
84.287	Twenty-First Century Community Learning Centers	Virginia Department of Education	00780-DOE86788-S287C200047	27,681	-
84.351	Arts in Education			297,009	-
84.365Z	English Language Acquisition State Grants			2,182	-
Subtotal Office of Elementary and Secondary Education				\$ 1,089,809	\$ -
Office of Postsecondary Education					
84.120	Minority Science and Engineering Improvement			\$ 74,626	\$ -
84.031	Higher Education Institutional Aid			368,433	-
84.335	Child Care Access Means Parents in School			116,181	-
Subtotal Office of Postsecondary Education				\$ 559,240	\$ -
Office of Special Education and Rehabilitative Services					

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
84.129	Rehabilitation Long-Term Training			\$ 97,999	\$ -
84.263	Innovative Rehabilitation Training			252,247	-
84.325	Special Education - Personnel Development to Improve			(11,910)	-
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	University of North Carolina at Charlotte	20210128-03-ETN	54,625	-
84.027	Special Education Grants to States	Vanderbilt University	OSA00000048	601,200	-
Subtotal Office of Special Education and Rehabilitative Services				<u>\$ 994,161</u>	<u>\$ -</u>
Subtotal Department of Education				<u>\$ 4,552,142</u>	<u>\$ 157,795</u>
Department of Health and Human Services					
Administration for Children and Families					
93.086	Healthy Marriage Promotion and Responsible			\$ 848	\$ -
93.575	Child Care and Development Block Grant	University of Massachusetts Amherst	B001358076	14,795	-
Subtotal Administration for Children and Families				<u>\$ 15,643</u>	<u>\$ -</u>
Administration for Community Living (ACL)					
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Southeast Tennessee Development District	SE TN AAAD 811	\$ 52,189	\$ -
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services			248,306	54,254
93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	University of Oregon	239750A	8,708	-
Subtotal Administration for Community Living (ACL)				<u>\$ 309,203</u>	<u>\$ 54,254</u>

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Agency for Healthcare Research and Quality					
93.226	Research on Healthcare Costs, Quality and Outcomes			\$ 1,644,076	\$ 688,304
Subtotal Agency for Healthcare Research and Quality				\$ 1,644,076	\$ 688,304
Centers for Disease Control and Prevention					
93.080	Blood Disorder Program: Prevention, Surveillance, and Research			\$ 441,635	
		University of North Carolina at Chapel Hill	5108968	2,644	
	COVID-19 - Blood Disorder Program: Prevention,			<u>188,955</u>	
				\$ 633,234	\$ 213,896
93.084	Prevention of Disease, Disability, and Death by Infectious Diseases	North Carolina State University	2020-2294-01	145,432	-
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	Association of University Centers on Disabilities	35-8814-22	51,320	-
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	North Dakota Department of Health	1191 HLH 4903 91	\$ 131,736	
	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Shelby County Health Department	CA2200292	548,488	
				<u>680,224</u>	-
93.941	HIV Demonstration, Research, Public and Professional Education Projects	Meharry Medical College Vanderbilt University Medical Center	M00005326 VUMC94736	\$ 38,397 <u>56,963</u>	95,360 -
93.943	Epidemiologic Research Studies of Acquired			327,814	34,351
93.967	CDC's Collaboration with Academia to Strengthen Public Health	Shelby County Health Department	A23-0118-001	\$ 330,409	
	COVID-19 - CDC's Collaboration with Academia to Strengthen Public Health	American Association of Colleges of Nursing	SUBAWARD UNDER PRIME #6 NU36OE000009-05-01	3,007	
				<u>333,416</u>	<u>81,000</u>

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>AL#</u>	<u>Program Name</u>	<u>Passed Through From</u>	<u>Other Identifying Number</u>	<u>Total Expenditures/Issues</u>	<u>Expenditures/Issues Passed Through to Subrecipients</u>
Subtotal Centers for Disease Control and Prevention				\$ 2,266,800	\$ 329,247
CENTERS FOR MEDICARE & MEDICAID SERVICES					
93.778	Medical Assistance Program	University Health System, Incorporated	Unknown	\$ 72,773	\$ -
Subtotal Centers for Medicare & Medicaid Services				\$ 72,773	\$ -
Food and Drug Administration					
93.103	Food and Drug Administration Research			\$ 684,190	\$ 131,628
Subtotal Food and Drug Administration				\$ 684,190	\$ 131,628
Health Resources and Services Administration					
93.155	Rural Health Research Centers			\$ 752,336	\$ 398,406
93.157	Centers of Excellence			34,122	-
93.178	Nursing Workforce Diversity			213,222	-
93.191	Graduate Psychology Education			224,173	10,265
93.247	Advanced Nursing Education Workforce Grant Program			328,412	-
93.300	National Center for Health Workforce Analysis			126,670	-
93.365	Sickle Cell Treatment Demonstration Program			12,890	-
93.732	Mental and Behavioral Health Education and Training Grants			1,043,410	94,340
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement			181,038	59,439
93.969	PPHF Geriatric Education Centers	Vanderbilt University	VUMC84068	12,833	-
93.822	Health Careers Opportunity Program (HCOP)			231,791	-

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Subtotal Health Resources and Services Administration				\$ 3,160,897	\$ 562,450
National Institutes of Health					
93.077	Family Smoking Prevention and Tobacco Control Act Regulatory Research			\$ 921	\$ -
93.113	Environmental Health			\$ 1,268,625	
		University of Oklahoma	RS20200318-01	3,546	
		Bowling Green State University	10009736-UNT07	14,028	
		Emory University	A461071	89,802	
		Emory University	A741446	210,903	
		Seattle Children's Hospital	ES-033758-01	2,027	
		University of California, Davis	ES-031701-03	93,289	
		University of California, Davis	ES-031701-04	47,535	
				<u>1,729,755</u>	-
93.121	Oral Diseases and Disorders Research			\$ 484,762	
		Fred Hutchinson Cancer Research	0001128755	23,460	
		Oregon Health and Science University	A03-5505	12,475	
				<u>520,697</u>	-
93.142	NIEHS Hazardous Waste Worker Health and Safety Training				292,370
93.143	NIEHS Superfund Hazardous Substances_Basic	University of Alabama at Birmingham	000523056-SC002		76,029
93.172	Human Genome Research			\$ 415	
		New York University	F1228-04	32,203	
		University of Florida	SUB003146	<u>32,203</u>	32,618
					-
93.173	Research Related to Deafness and Communication Disorders			\$ 1,608,634	
		Duke University	A03-5505	2,088	
		Indiana University	9400-UM	43,187	
				<u>45,275</u>	1,653,909
					9,663
93.213	Research and Training in Complementary and Integrative Health			\$ 905,811	
		Louisiana State University	R01AT010279-1894-UTK	23,137	
		Texas Tech University	SUBCONTR 21F176-01	6,088	
		University of Mississippi	23-08-04	146,855	
				<u>176,080</u>	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
				1,081,891	47,040
93.242	Mental Health Research Grants			\$ 1,654,497	
		Memorial Sloan-Kettering Institute for Cancer Research	MH-085726-14	7,996	
		Memorial Sloan-Kettering Institute for Cancer Research	MH-085726-15	16,885	
		University of Washington	UWSC10697	<u>1,039,599</u>	
				2,718,977	1,849
93.273	Alcohol Research Programs			\$ 2,331,257	
		University of Florida	2121-1008-00-A	65,154	
		University of Kansas Center for Research	FY2021-051-M2	28,177	
		University of Rhode Island	0007349/083120	29,878	
		University of Wisconsin-Milwaukee	203405426	208,380	
		University of Wisconsin-Milwaukee	223405556	104,278	
		Washington State University	133552-SPC002479	<u>38,759</u>	
				2,805,883	10,619
93.279	Drug Abuse and Addiction Research Programs			\$ 4,588,724	
		Boston University	4500004305	112,718	
		Boston University	X1M1PN3KGE7	62,478	
		Duke University	303001368	12,846	
		Duke University	A032787	735	
		Florida International University	A21-0201-002	14,981	
		George Mason University	E2052483/1U2CDA050097	40,394	
		The Miriam Hospital	7147185KLS	5,269	
		University of California, San Diego	122779013	60,890	
		University of California, San Diego	122779013(S9002412)	336,370	
		University of Chicago	3UH3DA044829-05S1	16,091	
		University of Connecticut	UCHC7-165926980	<u>22,468</u>	
				5,273,964	615,558
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health			1,575,016	523,395
93.307	Minority Health and Health Disparities Research			\$ 22,969	
		University of Michigan	SUBK00013083	1,647	
		University of Pittsburgh	CNVA0056157-130212-1	93,041	
		University of Pittsburgh	MD-11678-05	29,289	
		University of Texas Southwestern Medical Center	GMO230913 PO2772	<u>22,969</u>	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
				146,946	-
93.310	Trans-NIH Research Support	Duke University Medical Center	A032483	\$ 622,705	
		Harvard University	229384	8,355	
				<u>7,670</u>	
				638,730	-
93.351	Research Infrastructure Programs			320,468	-
93.361	Nursing Research			439,912	77,178
93.398	Cancer Research Manpower			70,954	-
93.393	Cancer Cause and Prevention Research			\$ 2,002,823	
		Emory University	A359292	18,276	
		Emory University	A805094	276,021	
		Emory University	X1M1PN3KG3E7	11,619	
		Medical University of South Carolina	A00-3206-S003	14,337	
		Medical University of South Carolina	A21-0023-S001	15,011	
		Medical University of South Carolina	A22-0235-S001	19,374	
		Medical University of South Carolina	A23-0073-S001	14,875	
		University of Connecticut Health	UCHC7-105937291-A1	92,089	
		University of Utah	10045740-02	79,392	
		University of Utah	10058539-03	44,823	
		University of Utah	10058926-03-UTHS	102,639	
		University of Utah	10059766-03	52,544	
		University of Utah	CA-206110-07	177,365	
		University of Utah	CA-254108-02	47,936	
		Vanderbilt University	61671	50,525	
		Wake Forest University	133232041-1100000752	53,537	
		Wake Forest University	13323241-1100000752	15,798	
		Washington University in St. Louis	WU-18-83-MOD-4	3,388	
		Vanderbilt University	VUMC77111	<u>12,116</u>	
				3,104,488	212,937
93.394	Cancer Detection and Diagnosis Research			\$ 120,473	
		Oregon Health and Science University	1012407-002_UTK	119,943	
		University of Florida	SUB00002825	37,789	
		University of Florida	SUB00003670	15,191	
		University of North Carolina at Chapel Hill	5122163	37,159	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		University of North Carolina at Chapel Hill	CA-264021-02	121,611	
				<hr/>	452,166
93.395	Cancer Treatment Research			\$ 2,307,310	
		NRG Oncology Foundation, Incorporated	NRG-HAYES-GY10	849	
		St. Jude Children's Research Hospital	112633019-7970256	70,836	
		St. Jude Children's Research Hospital	AI-157312	18,341	
		University of Michigan	SUBK00008228	14,319	
		University of Nebraska Medical Center	34-2005-211-001	16,706	
		University of Nebraska Medical Center	34-2005-2111-001	6,297	
		University of North Carolina at Chapel Hill	5113654	55,080	
		University of North Carolina at Chapel Hill	5124027	178,333	
		University of North Carolina at Chapel Hill	CA-226969-05	9,990	
				<hr/>	2,678,061
					763,221
93.396	Cancer Biology Research			\$ 1,023,919	
		Mississippi State University	038400.365772.01	79,258	
				<hr/>	1,103,177
					294,696
93.397	Cancer Centers Support Grants			\$ 866,520	
		Vanderbilt University	2P30CA068485-26	217	
				<hr/>	866,737
					217
93.399	Cancer Control				18,768
		NRG Oncology Foundation, Inc	NCORP-BARTON-GY9		-
93.837	Cardiovascular Diseases Research			\$ 8,300,140	
		Augusta University	38126-1	10,220	
		Temple University	268595-UTK	30,126	
		The Research Institute at Nationwide	700279-0223-00	4,331	
		The Research Institute at Nationwide	HL-161338-02	5,246	
		University of Texas at Austin	UTAUS-SUB00000591	16,053	
		The University of Alabama at Birmingham	Unknown	24,668	
		University of Michigan	SUBK00016675	5,773	
				<hr/>	8,396,557
					104,801
93.838	Lung Diseases Research			\$ 43,161	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		Colorado State University	FY22.1126.025	48,673	
		Duke University Medical Center	HL-147833-03	3,150	
				94,984	31,596
93.839	Blood Diseases and Resources Research			\$ 1,750,058	
		University of Michigan	SUBK00018369	12,531	
		The University of Alabama at Birmingham	000526031-SC002	48,935	
				1,811,524	631,978
93.846	Arthritis, Musculoskeletal and Skin Diseases Research			\$ 851,249	
		University of Pennsylvania	584859	140,248	
		Vanderbilt University Medical Center	OSA00000	19,484	
		Vanderbilt University Medical Center	OSA00000093	15,304	
		Vanderbilt University Medical Center	X1M1PN3KG3E7	14,006	
				1,040,291	-
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research			\$ 6,156,711	
		Case Western Reserve University	DK-116723-02	7,305	
		Case Western Reserve University	RES516358	64	
		Case Western Reserve University	RES600207	111,481	
		Cedars-Sinai Medical Center	PO # 2010054	22,070	
		Clemson University	2537-209-2016078	10,034	
		Emory University	DK-111024	13,620	
		Georgia State University	SP0001556-02	57,913	
		Georgia State University	X1M1PN3KG3E7	66,494	
		Johns Hopkins University	2004091297	17,984	
		Johns Hopkins University	2005479514	179	
		Louisiana State University	DK1238183-2020-70-UT	2,360	
		Midwestern University	11-1153-7116-5785	20,234	
		Northwestern University	60059865	10,670	
		Rutgers, The State University of New Jersey	0278	966	
		Rutgers, The State University of New Jersey	2662	81,186	
		Rutgers, The State University of New Jersey	AG-0059304	2,503	
		The Ohio State University Research	SPC1000006722	27,411	
		The Ohio State University Research	SPC-1000006722	60,238	
		The University of Alabama	X1M1PN3KG3E7	82,557	
		The University of Alabama at Birmingham	AT-011310-02	45,699	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		The University of Alabama at Birmingham	AT-011310-03	58,706	
		The University of Alabama at Birmingham	P01CA229997	10,935	
		University of California, Irvine	DK-124138-01	18,647	
		University of Michigan	SUBK00019812	11,241	
		University of Nebraska Medical Center	116693-02	1,922	
				6,899,130	503,845
93.853	Extramural Research Programs in the Neurosciences and and Neurological Disorders	University of Cincinnati	012343-139058	\$ 4,856,230	
				1,652	
				4,857,882	356,594
93.855	Allergy and Infectious Diseases Research			\$ 16,447,872	
		Boston Children's Hospital	GENFD0002242201	73,863	
		Colorado State University	AI-155922-02	78,844	
		Colorado State University	G-03441-01	14,903	
		Emory University	A533915	7,475	
		Emory University	X1M1PN3KG3E7	56,498	
		La Jolla Institute for Allergy and Immunology	21448-04-153-404	11,755	
		Miriam Hospital	7147205RLD	36,961	
		The Research Foundation of The City University of New York	1UG3AI169652-01	13,045	
		St. Jude Children's Research Hospital	111663100-7982727	151,465	
		St. Jude Children's Research Hospital	151446010	13,734	
		The University of Iowa	AI-139267-05	3,396	
		The University of Iowa	S00943-01	285,312	
		University of California, San Diego	704353	50,547	
		University of California, San Francisco	10494SC	233	
		University of Maryland, College Park	19179 REQ:2133	276,423	
		University of Maryland, College Park	21050	23,254	
		University of Maryland, College Park	AI-150574-04	9,890	
		University of Minnesota, Twin Cities	P010276635	102,051	
		University of North Carolina at Chapel Hill	5122352	39,724	
		University of North Carolina at Chapel Hill	5125074	357,912	
		University of Oklahoma	SUBCONTRACT# 2015-13	72,168	
		University of Wisconsin-Madison	0000001480	73,311	
		University of Wisconsin-Madison	0000001481	41,055	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		Vanderbilt University	AI-154659-03	70,446	
		Vanderbilt University Medical Center	95779	35,189	
		West Virginia University Research Corporation	20-071-ETSU	16,588	
				18,363,914	2,364,490
93.859	Biomedical Research and Research Training			\$ 7,891,388	
		California Institute of Technology	S528740	245,243	
		Jackson Laboratory	210071-0722-03	2,041	
		Jackson Laboratory	5 R01 GM 070683-16	21,707	
		Treasurer of Virginia Tech	412698-19A62	55,577	
		University of Nebraska Medical Center	3.4-2005-2116-001	31,025	
		University of Nebraska Medical Center	34-2005-2121-001	1,206	
		University of Nebraska Medical Center	5265	11,586	
		University of Nebraska Medical Center	NS-128336-02	2,318	
		University of Toledo	N-2023-02	5,487	
		University of Toledo	N-2024-02	3,259	
				8,270,837	766,046
93.865	Child Health and Human Development Extramural Research			\$ 698,677	
		Florida International University	000595	8,033	
		Florida International University	00591	765	
		Kent State University	403049-UMEM	5,375	
		Northwestern University	60055120 UTHSC	4,539	
		The Research Institute at Nationwide Children's Hospital	700196-0422-00	129	
		Tulane University	HSC-558614-2021	31,218	
		University of Notre Dame	203700UM	164,993	
		Virginia Commonwealth University	FP00008136 SA001	12,279	
		Virginia Commonwealth University	FP00008924 SA001	24,038	
		Virginia Commonwealth University	FP00015753	22,542	
	COVID-19 - Child Health and Human Development Extramural Research	University of Notre Dame	203700UM	25,853	
				998,441	44,310
93.866	Aging Research			\$ 8,255,439	
		Emory University	A579742	200,576	
		Northwestern University	60057241	14,544	
		The George Washington University	S-DPA2223-LM09	243,262	
		The Ohio State University Research	AG-059861-05	3,050	
		Tulane University	TUL-HSC-560710-22/23	100,964	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		University of Massachusetts Lowell	S5111000004943	7,156	
		University of Central Florida	55688857	139,300	
		University of Texas Southwestern Medical Center	GMO231009 PO2801	28,631	
		Virginia Polytechnic Institute and State University	412788-19F55	323,121	
				9,316,043	2,276,297
93.867	Vision Research			\$ 3,711,383	
		New York University	EY-026869-01	877	
		Oklahoma State University	1-506672-UTK	62,966	
		University of Illinois	19271	33,517	
		University of Illinois	EY034716-02	4,101	
				3,812,844	562,064
93.879	Medical Library Assistance			\$ 191,833	
		Medical Univ of South Carolina	A23-0047-001	19,704	
				211,537	15,894
Subtotal National Institutes of Health				\$ 91,676,421	\$ 10,214,288
Office of Assistant Secretary for Health					
93.137	Community Programs to Improve Minority Health Grant Program	City of Memphis	CPIMP 211234	\$ 419,132	\$ -
Subtotal Office of Assistant Secretary for Health				\$ 419,132	\$ -
Substance Abuse and Mental Health Services Administration					
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Power of Putnam, Incorporated	SUB UNDER FOA NO. SP-20-002	\$ 31,775	
				26,982	
				\$ 58,757	\$ -
Subtotal Substance Abuse and Mental Health Services Administration				\$ 58,757	\$ -

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Other Programs					
93.RD	FDA 75F40121C00154		75F40121C00154	\$ 201,561	\$ -
93.RD	NIH Dated 6/9/2021 (53%) Hutson		IPA-SADIE HUTSON	12,201	-
93.RD	Univ of South Florida 6119-151600A Sarka	University of South Florida	6119-1516-00-A	8,326	-
93.RD	CAN DO Houston Study Barroso	CAN DO Houston	STUDY	15,834	-
Subtotal Other Programs				\$ 237,922	\$ -
Subtotal Department of Health and Human Services				\$ 100,545,814	\$ 11,980,171
Department of Homeland Security					
Countering Weapons of Mass Destruction					
97.077	Homeland Security Research, Development, Testing, Evaluation and Demonstration of Technologies Related to Countering Weapons of Mass Destruction			\$ 1,563,592	\$ 449,869
Subtotal Countering Weapons of Mass Destruction				\$ 1,563,592	\$ 449,869
Federal Emergency Management Agency					
97.005	State and Local Homeland Security National Training Program	Alion Science and Technology	SUB1158159	\$ 48,270	
		The Center for Rural Development	EMW-2018-CA-0075-S01	130,989	
		The Center for Rural Development	EMW-2021-CA-00097	131,927	
		University of Arkansas	2021-3	10,449	
		University of Arkansas	2022-4	179,901	
		University of Central Florida	65016A49-01	67,120	
				218,690	
				\$ 787,346	\$ -
97.044	Assistance to Firefighters Grant			\$ 42,513	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
		Rutgers, The State University of New Jersey	SUB00002547	35,552	
		Rutgers, The State University of New Jersey	SUBAWARD AGREEMENT 2039 AMEND 2	48,300	
				126,365	-
Subtotal Federal Emergency Management Agency				\$ 913,711	\$ -
Science and Technology					
97.062	Scientific Leadership Awards			\$ 159,658	\$ -
Subtotal Science and Technology				\$ 159,658	\$ -
Subtotal Department of Homeland Security				\$ 2,636,961	\$ 449,869
Agency for International Development					
Other Programs					
98.001	USAID Foreign Assistance for Programs Overseas	Kansas State University Michigan State University	A20-0163-S002 TO RC102095BHEARD	\$ 199,818 468	\$ 127,370
98.004	Non-Governmental Organization Strengthening (NGO)	Partner of the Americas	SG-2019-3	217,486	59,609
Subtotal Other Programs				\$ 417,772	\$ 186,979
Subtotal Agency for International Development				\$ 417,772	\$ 186,979
Department of Labor					
Employment and Training Administration					
17.261	WIOA Pilots, Demonstrations, and Research Projects			\$ 95,072	\$ -
17.280	WIOA Dislocated Worker National Reserve Demonstration Grants			60,044	17,850

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>AL#</u>	<u>Program Name</u>	<u>Passed Through From</u>	<u>Other Identifying Number</u>	<u>Total Expenditures/Issues</u>	<u>Expenditures/Issues Passed Through to Subrecipients</u>
Subtotal Employment and Training Administration				\$ 155,116	\$ 17,850
Subtotal Department of Labor				\$ 155,116	\$ 17,850
Institute of Museum and Library Services					
Other Programs					
45.313	Laura Bush 21st Century Librarian Program			\$ 134,378	\$ -
Subtotal Other Programs				\$ 134,378	\$ -
Subtotal Institute of Museum and Library Services				\$ 134,378	\$ -
Total Research and Development Cluster				\$ 285,551,181	\$ 25,427,585
Student Financial Assistance Cluster					
Department of Education					
84.007	Federal Supplemental Educational Opportunity Grants			\$ 12,176,607	\$ -
84.033	Federal Work-Study Program			5,578,977	-
84.038	Federal Perkins Loan Program_Federal Capital Contributions			6,146,154	-
84.063	Federal Pell Grant Program			333,361,565	-
84.268	Federal Direct Student Loans			633,354,025	-
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			367,546	-
84.408	Postsecondary Education Scholarships for Veteran's Dependents			18,315	-
Subtotal Department of Education				\$ 991,003,189	\$ -

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Department of Health and Human Services					
93.264	Nurse Faculty Loan Program (NFLP)			\$ 788,792	\$ -
93.342	Health Professions Student Loans, Including Primary Care Loan/Loans for Disadvantaged Students			552,107	-
93.364	Nursing Student Loans			31,184	-
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds			1,302,776	-
Subtotal Department of Health and Human Services				\$ 2,674,859	\$ -
Total Student Financial Assistance Cluster				\$ 993,678,048	\$ -
SNAP Cluster					
Department of Agriculture					
10.551	Supplemental Nutrition Assistance Program			\$ 1,837,228,445	\$ -
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			\$ 123,730,810	
	COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			8,567,104	
				<u>132,297,914</u>	<u>5,696,649</u>
Subtotal Department of Agriculture				\$ 1,969,526,359	\$ 5,696,649
Total SNAP Cluster				\$ 1,969,526,359	\$ 5,696,649
Child Nutrition Cluster					
Department of Agriculture					
10.553	School Breakfast Program			\$ 124,370,629	\$ 124,370,629
10.555	National School Lunch Program			\$ 350,517,142	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
	National School Lunch Program (Noncash)			44,613,323	
	COVID-19 - National School Lunch Program (Noncash)			<u>6,100,057</u>	
				401,230,522	401,230,522
10.556	Special Milk Program for Children			6,161	6,161
10.559	Summer Food Service Program for Children			\$ 12,346,352	
	Summer Food Service Program for Children (Noncash)			<u>84,496</u>	
				12,430,848	11,616,473
10.582	Fresh Fruit and Vegetable Program			<u>5,057,638</u>	<u>5,057,638</u>
Subtotal Department of Agriculture				<u>\$ 543,095,798</u>	<u>\$ 542,281,423</u>
Total Child Nutrition Cluster				<u>\$ 543,095,798</u>	<u>\$ 542,281,423</u>
Food Distribution Cluster					
Department of Agriculture					
10.565	Commodity Supplemental Food Program			\$ 846,657	
	Commodity Supplemental Food Program (Noncash)			<u>3,909,293</u>	
				\$ 4,755,950	\$ 789,409
10.568	Emergency Food Assistance Program (Administrative Costs)			\$ 3,520,421	
	COVID-19 - Emergency Food Assistance Program			<u>438,273</u>	
				3,958,694	3,821,468
10.569	Emergency Food Assistance Program (Food Commodities) (Noncash)			\$ 19,886,799	
	COVID-19 - Emergency Food Assistance Program (Food Commodities) (Noncash)			<u>6,443,804</u>	
				26,330,603	<u>26,330,603</u>
Subtotal Department of Agriculture				<u>\$ 35,045,247</u>	<u>\$ 30,941,480</u>
Total Food Distribution Cluster				<u>\$ 35,045,247</u>	<u>\$ 30,941,480</u>
Forest Service Schools and Roads Cluster					

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Department of Agriculture					
10.665	COVID-19 - Schools and Roads - Grants to States			\$ 1,022,448	\$ 1,022,448
Subtotal Department of Agriculture				\$ 1,022,448	\$ 1,022,448
Total Forest Service Schools and Roads Cluster				\$ 1,022,448	\$ 1,022,448
Community Facilities Loans and Grants Cluster					
Department of Agriculture					
10.766	Community Facilities Loans and Grants			\$ 43,541	\$ -
Subtotal Department of Agriculture				\$ 43,541	\$ -
Total Community Facilities Loans and Grants Cluster				\$ 43,541	\$ -
Economic Development Cluster					
Department of Commerce					
11.307	Economic Adjustment Assistance	Workforce Midsouth, Inc	ED22HDQ3070111	\$ 535,634 39,208	\$ 574,842
Subtotal Department of Commerce				\$ 574,842	\$ 109,756
Total Economic Development Cluster				\$ 574,842	\$ 109,756
Section 8 Project-Based Cluster					
Department of Housing and Urban Development					
14.195	Section 8 Housing Assistance Payments Program			\$ 242,123,393	
	COVID-19 - Section 8 Housing Assistance Payments			21,425	
				\$ 242,144,818	\$ -

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Subtotal Department of Housing and Urban Development				\$ 242,144,818	\$ -
Total Section 8 Project-Based Cluster				\$ 242,144,818	\$ -
CDBG - Entitlement Grants Cluster					
Department of Housing and Urban Development					
14.218	Community Development Block Grants/Entitlement Grants	Knox County	CDBG 2021-2022	\$ 1,084	
		Knox County	CDBG 2022-2023	13,344	
		Memphis Division of Housing and Community Development	Contract 38095	15,779	
				<u>\$ 30,207</u>	<u>\$ -</u>
Subtotal Department of Housing and Urban Development				\$ 30,207	\$ -
Total CDBG - Entitlement Grants Cluster				\$ 30,207	\$ -
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster					
Department of Housing and Urban Development					
14.272	National Disaster Resilience Competition			\$ 2,611,734	\$ 2,003,632
Subtotal Department of Housing and Urban Development				\$ 2,611,734	\$ 2,003,632
Total CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster				\$ 2,611,734	\$ 2,003,632
HOPE VI Cluster					
Department of Housing and Urban Development					
14.889	Choice Neighborhoods Implementation Grants	Memphis Housing Authority	Unknown	\$ 16,788	\$ -
Subtotal Department of Housing and Urban Development				\$ 16,788	\$ -
Total HOPE VI Cluster				\$ 16,788	\$ -

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Housing Voucher Cluster					
Department of Housing and Urban Development					
14.871	Section 8 Housing Choice Vouchers			\$ 50,488,931	
	COVID-19 - Section 8 Housing Choice Vouchers			<u>1,122,246</u>	
				\$ 51,611,177	\$ -
14.879	Mainstream Vouchers			<u>1,033,367</u>	<u>-</u>
Subtotal Department of Housing and Urban Development				<u>\$ 52,644,544</u>	<u>\$ -</u>
Total Housing Voucher Cluster				<u>\$ 52,644,544</u>	<u>\$ -</u>
Fish and Wildlife Cluster					
Department of the Interior					
15.605	Sport Fish Restoration			\$ 8,415,160	\$ 614
15.611	Wildlife Restoration and Basic Hunter Education			26,603,800	1,729,883
15.626	Enhanced Hunter Education and Safety			<u>(1,124)</u>	<u>29,178</u>
Subtotal Department of the Interior				<u>\$ 35,017,836</u>	<u>\$ 1,759,675</u>
Total Fish and Wildlife Cluster				<u>\$ 35,017,836</u>	<u>\$ 1,759,675</u>
Employment Service Cluster					
Department of Labor					
17.207	Employment Service/Wagner-Peyser Funded Activities			\$ 12,828,288	\$ 30,083
17.801	Jobs for Veterans State Grants			<u>4,584,950</u>	<u>-</u>
Subtotal Department of Labor				<u>\$ 17,413,238</u>	<u>\$ 30,083</u>

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Total Employment Service Cluster				\$ 17,413,238	\$ 30,083
WIOA Cluster					
Department of Labor					
17.258	WIOA Adult Program			\$ 14,316,753	\$ 8,511,802
17.259	WIOA Youth Activities	Alliance for Business and Training	12032	\$ 11,866,499 (2,066)	7,857,412
				11,864,433	
17.278	WIOA Dislocated Worker Formula Grants	Upper Cumberland Human Resource Agency	Workforce Investment Act - Local	\$ 17,456,509 39,843	
				17,496,352	11,371,034
Subtotal Department of Labor				\$ 43,677,538	\$ 27,740,248
Total WIOA Cluster				\$ 43,677,538	\$ 27,740,248
FMCSA Cluster					
Department of Transportation					
20.218	Motor Carrier Safety Assistance			\$ 8,168,971	\$ -
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements			213,411	-
Subtotal Department of Transportation				\$ 8,382,382	\$ -
Total FMCSA Cluster				\$ 8,382,382	\$ -
Federal Transit Cluster					
Department of Transportation					
20.500	Federal Transit Capital Investment Grants			\$ (14,118)	\$ (14,118)

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>AL#</u>	<u>Program Name</u>	<u>Passed Through From</u>	<u>Other Identifying Number</u>	<u>Total Expenditures/Issues</u>	<u>Expenditures/Issues Passed Through to Subrecipients</u>
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs			883,449	883,449
Subtotal Department of Transportation				<u>\$ 869,331</u>	<u>\$ 869,331</u>
Total Federal Transit Cluster				<u>\$ 869,331</u>	<u>\$ 869,331</u>
Transit Services Programs Cluster					
Department of Transportation					
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			\$ 429,515	
	COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities			157,673	
				<u>\$ 587,188</u>	<u>\$ 322,374</u>
20.516	Job Access and Reverse Commute Program			190,596	190,596
20.521	New Freedom Program			131,332	56,044
Subtotal Department of Transportation				<u>\$ 909,116</u>	<u>\$ 569,014</u>
Total Transit Services Programs Cluster				<u>\$ 909,116</u>	<u>\$ 569,014</u>
Highway Safety Cluster					
Department of Transportation					
20.600	State and Community Highway Safety			\$ 8,571,441	\$ 4,389,175
20.616	National Priority Safety Programs			4,149,869	2,042,283
Subtotal Department of Transportation				<u>\$ 12,721,310</u>	<u>\$ 6,431,458</u>
Total Highway Safety Cluster				<u>\$ 12,721,310</u>	<u>\$ 6,431,458</u>
Clean Water State Revolving Fund (CWSRF) Cluster					

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Environmental Protection Agency					
66.458	Capitalization Grants for Clean Water State Revolving Funds			\$ 957,554	\$ -
Subtotal Environmental Protection Agency				\$ 957,554	\$ -
Total Clean Water State Revolving Fund (CWSRF) Cluster				\$ 957,554	\$ -
Drinking Water State Revolving Fund (DWSRF) Cluster					
Environmental Protection Agency					
66.468	Capitalization Grants for Drinking Water State Revolving Funds			\$ 6,027,051	\$ 487,795
Subtotal Environmental Protection Agency				\$ 6,027,051	\$ 487,795
Total Drinking Water State Revolving Fund (DWSRF) Cluster				\$ 6,027,051	\$ 487,795
Special Education Cluster (IDEA)					
Department of Education					
84.027	Special Education Grants to States			\$ 274,630,444	
	COVID-19 - Special Education Grants to States			30,374,722	
				\$ 305,005,166	\$ 296,245,415
84.173	Special Education Preschool Grants			\$ 6,378,273	
	COVID-19 - Special Education Preschool Grants			1,996,402	
				8,374,675	8,374,305
Subtotal Department of Education				\$ 313,379,841	\$ 304,619,720
Total Special Education Cluster (IDEA)				\$ 313,379,841	\$ 304,619,720
TRIO Cluster					

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
Department of Education					
84.042A	TRIO Student Support Services			\$ 3,641,346	\$ -
84.044	TRIO Talent Search			1,003,169	-
84.047A	TRIO Upward Bound			4,917,152	-
84.047M	TRIO Upward Bound Math-Science			676,798	-
84.047V	TRIO Veterans Upward Bound			797,168	-
84.066A	TRIO Educational Opportunity Centers			1,490,057	-
84.217A	TRIO McNair Post-Baccalaureate Achievement			474,990	-
Subtotal Department of Education				\$ 13,000,680	\$ -
Total TRIO Cluster				\$ 13,000,680	\$ -
Aging Cluster					
Department of Health and Human Services					
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers			\$ 10,136,720	\$ 9,967,314
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services			22,041,831	20,373,565
93.053	Nutrition Services Incentive Program			1,719,932	1,719,932
Subtotal Department of Health and Human Services				\$ 33,898,483	\$ 32,060,811
Total Aging Cluster				\$ 33,898,483	\$ 32,060,811
Health Center Program Cluster					
Department of Health and Human Services					

State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)			\$ 10,965,502	
	COVID-19 - Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)			51,773	
				<hr/>	
				\$ 11,017,275	\$ 1,673,603
93.527	Grants for New and Expanded Services under the Health Center Program			23,491	-
				<hr/>	
Subtotal Department of Health and Human Services				\$ 11,040,766	\$ 1,673,603
Total Health Center Program Cluster				\$ 11,040,766	\$ 1,673,603

CCDF Cluster

Department of Health and Human Services

93.575	Child Care and Development Block Grant			\$ 168,414,580	
		Community Foundation of Middle Tennessee	72122	5,000	
		Community Foundation of Middle Tennessee	Unknown	3,387	
	COVID-19 - Child Care and Development Block Grant			<hr/>	
				283,760,364	
				\$ 452,183,331	\$ 47,337,054
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			98,168,709	-
				<hr/>	
Subtotal Department of Health and Human Services				\$ 550,352,040	\$ 47,337,054
Total CCDF Cluster				\$ 550,352,040	\$ 47,337,054

Head Start Cluster

Department of Health and Human Services

93.600	Head Start			\$ 2,980,296	
		Porter-Leath Childrens Center	Porter-Leath	<hr/>	
				475,765	

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

AL#	Program Name	Passed Through From	Other Identifying Number	Total Expenditures/Issues	Expenditures/Issues Passed Through to Subrecipients
				\$ 3,456,061	\$ -
Subtotal Department of Health and Human Services				\$ 3,456,061	\$ -
Total Head Start Cluster				\$ 3,456,061	\$ -
Medicaid Cluster					
Department of Health and Human Services					
93.775	State Medicaid Fraud Control Units			\$ 6,424,412	\$ -
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			\$ 7,768,053	
	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			180,621	
				<u>7,948,674</u>	-
93.778	Medical Assistance Program	University Health System, Incorporated	GMEP	\$ 8,995,221,958	
	COVID-19 - Medical Assistance Program			43,148,600	
				<u>730,444,964</u>	
				<u>9,768,815,522</u>	<u>16,196,567</u>
Subtotal Department of Health and Human Services				\$ 9,783,188,608	\$ 16,196,567
Total Medicaid Cluster				\$ 9,783,188,608	\$ 16,196,567
Disability Insurance/SSI Cluster					
Social Security Administration					
96.001	Social Security Disability Insurance			\$ 56,772,598	\$ -
Subtotal Social Security Administration				\$ 56,772,598	\$ -
Total Disability Insurance/SSI Cluster				\$ 56,772,598	\$ -
Grand Total Federal Assistance				\$ 21,747,441,994	\$ 4,086,923,170

**State of Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>AL#</u>	<u>Program Name</u>	<u>Passed Through From</u>	<u>Other Identifying Number</u>	<u>Total Expenditures/Issues</u>	<u>Expenditures/Issues Passed Through to Subrecipients</u>
------------	---------------------	----------------------------	---------------------------------	--------------------------------------	--

The accompanying notes are an integral part of this schedule.

State of Tennessee
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1. PURPOSE OF THE SCHEDULE

The Single Audit of the State of Tennessee for the year ended June 30, 2023, was conducted in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (contained in Title 2 of the U.S. *Code of Federal Regulations*, Part 200) (Uniform Guidance), which requires a disclosure of the financial activities of all federally funded programs. To comply with the Uniform Guidance, the Department of Finance and Administration required each department, agency, and institution that expended direct or pass-through federal funding during the year to prepare a schedule of expenditures of federal awards and reconciliations with both the state's accounting system and grantor financial reports. The schedules for the departments, agencies, and institutions were combined to form the Schedule of Expenditures of Federal Awards (Schedule) for the State of Tennessee.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

A summary of the state's significant accounting policies and related information is provided below to assist the reader in interpreting the information presented in the Schedule.

A. Basis of Accounting

The state's *Annual Comprehensive Financial Report* and this Schedule are presented in accordance with generally accepted accounting principles, following the accrual or modified accrual basis of accounting, as appropriate for the fund structure. Negative amounts shown in the Schedule result from adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

B. Basis of Presentation

The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the state, it does not and is not intended to present the financial position, changes in net position, or cash flows of the state.

- **Federal Financial Assistance** – Pursuant to the Single Audit Act Amendments of 1996 and the Uniform Guidance, federal financial assistance is defined as assistance that non-federal organizations receive from or administer on behalf of the federal government in the form of grants, loans, loan guarantees, noncash contributions, or donations of property (including donated surplus property), and other financial assistance.

State of Tennessee
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023
(continued)

- **Assistance Listing** – The Schedule presents total expenditures for each federal assistance listing as identified on June 30, 2023. Assistance Listings are a government-wide compilation of federal programs, projects, services, and activities administered by departments and establishments of the federal government. Each program included in the Assistance Listing is assigned a five-digit program identification number, Assistance Listing number (AL number). The first two digits of the AL number designate the federal agency, and the last three digits designate the federal program within the federal agency. For programs that have not been assigned an AL number, the number shown in the Schedule is the federal agency’s two-digit prefix followed either by “U” and a two-digit number identifying one or more federal award lines which make up the program or by “RD” if the program is part of the Research and Development (R&D) cluster. Also shown on the Schedule for each of these programs is an Other Identifying Number, which is required to identify the program or award.
- **Clusters of Programs** – A cluster of programs is a grouping of closely related programs with different AL numbers that share common compliance requirements. The clusters presented in the Schedule are R&D, Student Financial Assistance (SFA), and other clusters as mandated by the Office of Management and Budget (OMB) in its most recent Compliance Supplement. The R&D and SFA clusters include expenditures from multiple federal grantors.
- **Direct and Pass-through Federal Financial Assistance** – The state received federal financial assistance either directly from federal awarding agencies or indirectly from pass-through entities. A pass-through entity is defined as a non-federal entity that provides federal assistance to a subrecipient. For federal assistance that the state received as a subrecipient, the name of the pass-through entity and the Other Identifying Number assigned by the pass-through entity are identified in the Schedule.
- **Expenditures/Issues Passed Through to Subrecipients** – A subrecipient is defined as a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program. The amount of federal assistance that the state provided to subrecipients under each federal program (where the state is the pass-through entity, as defined above) is presented in a separate column in the Schedule. All expenditures are rounded to the nearest dollar.

NOTE 3. INDIRECT COST RATE

Under the Uniform Guidance, state departments, agencies, and institutions may elect to charge a de minimis cost rate of 10% of modified total direct costs which may be used indefinitely. No state departments, agencies, or institutions within the state reporting entity have elected to use the 10% de minimis cost rate.

State of Tennessee
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023
(continued)

NOTE 4. UNEMPLOYMENT INSURANCE

State unemployment tax revenues, along with other payments and revenues, are combined with federal funds and used to pay benefits under the Unemployment Insurance program (AL 17.225). The state and federal portions of the total (rounded) expenditures reported in the Schedule for this program were \$146,797,918 and \$56,548,951, respectively.

NOTE 5. LOAN AND LOAN GUARANTEE PROGRAMS

A. Loan Programs Administered by Institutions of Higher Education

The following federal loan programs are administered by State institutions of higher education:

- Federal Perkins Loan Program_Federal Capital Contributions (AL 84.038)
- Nurse Faculty Loan Program (NFLP) (AL 93.264)
- Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (AL 93.342)
- Nursing Student Loans (AL 93.364)

Expenditures in the Schedule for these programs include the value of new loans made during the year, the balance of loans from previous years for which the federal government imposes continuing compliance requirements, and administrative cost allowances.

Loan balances outstanding (rounded) at year-end:

<u>AL #</u>	<u>Program Name</u>	<u>Balance Outstanding</u>
84.038	Federal Perkins Loan Program_Federal Capital Contributions	\$ 6,146,154
93.264	Nurse Faculty Loan Program (NFLP)	788,792
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	552,107
93.364	Nursing Student Loans	<u>31,184</u>

State of Tennessee
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023
(continued)

Total Loan Balance: \$ 7,518,237

B. Other Loan Programs

Loans under the following federal loan programs are made by outside lenders to students at state institutions of higher education:

- Federal Direct Student Loans (AL 84.268)

The institutions are responsible for certain administrative requirements for new loans; therefore, the value of loans made during the year and accompanying administrative cost allowances are recognized as expenditures in the Schedule. The balances of loans for previous years are not included in the Schedule because the outside lenders account for those prior balances.

NOTE 6. NONCASH ASSISTANCE

The Schedule contains values for several programs that include noncash assistance such as donated food commodities, surplus property, and supplies. The Food Stamp program is presented at the dollar value of food stamp electronic benefit transfers authorized and used by recipients. The commodities and vaccines distributed by state programs are presented at their federally assigned value. The surplus property program is presented at the estimated fair value of the property distributed. The fair value was estimated to be 23.34% of the property's original federal acquisition value. All other donated supplies were valued at fair market value at the time of receipt.

The total (rounded) value of fiscal year 2023 noncash federal financial assistance is shown in the table below.

State of Tennessee
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023
(continued)

<u>AL #</u>	<u>Program Name</u>	<u>Assistance Description</u>	<u>Dollar Value</u>
10.555	National School Lunch Program	Food Commodities	\$ 44,613,323
10.555	COVID-19 – National School Lunch Program	Food Commodities	6,100,057
10.559	Summer Food Service Program for Children	Food Commodities	84,496
10.565	Commodity Supplemental Food Program	Food Commodities	3,909,293
10.569	Emergency Food Assistance Program (Food Commodities)	Food Commodities	19,886,799
10.569	COVID-19 – Emergency Food Assistance Program (Food Commodities)	Food Commodities	6,443,804
12.U02	Law Enforcement Support Office	Surplus Property	1,670,321
12.U04	Donated Equipment	Surplus Property	27,455
12.U06	National Guard – donated labor and professional services	Labor and Professional Services	430,000
39.003	Donation of Federal Surplus Personal Property	Surplus Property	435,986
62.U02	TVA – donated equipment	Surplus Property	169,823
93.268	Immunization Cooperative Agreements	Immunizations	103,272,917
Total Noncash Assistance			\$ 187,044,274

State of Tennessee
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023
(continued)

NOTE 7. COVID-19 ASSISTANCE

In response to the COVID-19 pandemic, several legislative acts were passed that provided additional funding to existing federal programs and created new federal programs to assist in the recovery from the pandemic. The acts listed below are considered the source of COVID-19 federal assistance for the purposes of this schedule:

- Coronavirus Preparedness and Response Supplemental Appropriations Act,
- Families First Coronavirus Response Act,
- Coronavirus Aid, Relief, and Economic Security Act (CARES Act),
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and
- American Rescue Plan Act (ARP).

All programs funded via one of these COVID-19 relief bills are reported in the schedule with the prefix COVID-19 before the program name, and these amounts are reported on a separate line from amounts derived from other funding sources.

The total (rounded) expenditure of COVID-19 assistance for the year ended June 30, 2023, is \$3,533,963,693.