



BUCKNELL UNIVERSITY

Information on Federal Awards

June 30, 2018

(With Independent Auditors' Report Thereon)

BUCKNELL UNIVERSITY

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

Board of Trustees
Bucknell University:

Report on Compliance for Each Major Federal Program

We have audited Bucknell University's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2018. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance

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

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

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

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 consolidated financial statements of the University as of and for the year ended June 30, 2018, and have issued our report thereon dated November 12, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

KPMG LLP

Harrisburg, Pennsylvania
January 23, 2019

BUCKNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

<u>Federal program</u>	<u>CFDA Number</u>	<u>Pass-Through Entity</u>	<u>Direct Award or Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed to Subrecipients</u>
Student Financial Aid Cluster:					
U.S. Department of Education:					
Federal Supplemental Educational Opportunity Grants	84.007	—	Direct	\$ 318,700	—
Federal Work-Study Program	84.033	—	Direct	215,984	—
Federal Perkins Loan Program	84.038	—	Direct	3,163,288	—
Federal Pell Grant Program	84.063	—	Direct	1,760,162	—
Federal Direct Student Loans	84.268	—	Direct	14,141,766	—
Total Student Financial Aid Cluster				<u>19,599,900</u>	<u>—</u>
Research and Development Cluster:					
Department of Defense:					
Basic Scientific Research	12.431	SIMETRI, Inc.	W911NF-15-C-0047-P00003	1,548	—
Basic Scientific Research	12.431	SIMETRI, Inc.	W911NF-15-C-0084	90	—
Total CFDA 12.431				<u>1,638</u>	<u>—</u>
Total Department of Defense				<u>1,638</u>	<u>—</u>
U.S. Fish and Wildlife Service:					
Endangered Species Conservation – Recovery:					
Implementation Funds	15.657	—	Direct	32,419	—
Implementation Funds	15.657	Temple University	310288-13120-02	(219)	—
Total CFDA 15.657				<u>32,200</u>	<u>—</u>
Total U.S. Fish and Wildlife Service				<u>32,200</u>	<u>—</u>
National Aeronautics and Space Administration:					
Science	43.001	—	Direct	1,524	—
National Aeronautics and Space Administration, Other	43.RD	Space Telescope Science Institute	HST-GO-14188.010-A	4,904	—
National Aeronautics and Space Administration, Other	43.RD	Space Telescope Science Institute	HST-GO-14686.002-A	2,526	—
National Aeronautics and Space Administration, Other	43.RD	Jet Propulsion Laboratory	RSA No. 1578294	10,551	—
National Aeronautics and Space Administration, Other	43.RD	Space Telescope Science Institute	HST-GO-15238.005-A	4,000	—
Total National Aeronautics and Space Administration				<u>23,505</u>	<u>—</u>
National Endowment for the Humanities:					
Promotion of the Humanities Research	45.161	—	Direct	62,872	44,002
Promotion of the Humanities Research	45.161	University of Oregon	RZ-249870-16	34,154	—
Total CFDA 45.161				<u>97,026</u>	<u>44,002</u>
Total National Endowment for the Humanities				<u>97,026</u>	<u>44,002</u>
National Science Foundation:					
Engineering Grants	47.041	—	Direct	234,486	—
Engineering Grants	47.041	University of Virginia	GO11381.154901	10,550	—
Total CFDA 47.041				<u>245,036</u>	<u>—</u>

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Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

<u>Federal program</u>	<u>CFDA Number</u>	<u>Pass-Through Entity</u>	<u>Direct Award or Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed to Subrecipients</u>
Mathematical and Physical Sciences	47.049	—	Direct	\$ 91,489	—
Mathematical and Physical Sciences	47.049	Syracuse University	DMR-1609523	11,493	—
Total CFDA 47.049				<u>102,982</u>	<u>—</u>
Geosciences	47.050	—	Direct	61,969	—
Computer and Information Science and Engineering	47.070	—	Direct	438,735	—
Biological Sciences	47.074	—	Direct	27,559	—
Biological Sciences	47.074	University of Montana	1,639,014	9,894	—
Total CFDA 47.047				<u>37,453</u>	<u>—</u>
Social, Behavioral, and Economic Sciences	47.075	—	Direct	612	—
Social, Behavioral, and Economic Sciences	47.075	Mount Holyoke College	1,560,812	(772)	—
Total CFDA 47.075				<u>(160)</u>	<u>—</u>
Education and Human Resources	47.076	—	Direct	207,050	10,893
Education and Human Resources	47.076	Regents of the University of Michigan	DUE-1347718	24,863	—
Education and Human Resources	47.076	Jet Propulsion Laboratory	RSA No. 1545590	(1,513)	—
Education and Human Resources	47.076	Lehigh University	HRD-1464048	3,353	—
Total CFDA 47.076				<u>233,753</u>	<u>10,893</u>
Total National Science Foundation				<u>1,119,768</u>	<u>10,893</u>
Department of Energy:					
Renewable Energy Research and Development	81.087	Duke University	DE-EE0007091	36,126	—
Department of Health and Human Services:					
Alcohol Research Programs	93.273	—	Direct	107,157	—
Cardiovascular Diseases Research	93.837	Partners HealthCare System Inc. - Massachusetts General Hospital	5R01HL128168	58,962	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Massachusetts	UMWOR-01930	14,308	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Harvard University	152419.5109526.0002	2,420	—
Total CFDA 93.847				<u>16,728</u>	<u>—</u>
Allergy, Immunology and Transplantation Research	93.855	—	Direct	144,906	—
Child Health and Human Development Extramural Research	93.865	—	Direct	90,691	—
Total Department of Health and Human Services				<u>454,570</u>	<u>—</u>
United States Agency for International Development:					
USAID Foreign Assistance for Programs Overseas	98.001	EcoHealth Alliance	07-306-7119-53030	(398)	—
Total Research and Development Cluster				<u>1,728,309</u>	<u>54,895</u>

BUCKNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

<u>Federal program</u>	<u>CFDA Number</u>	<u>Pass-Through Entity</u>	<u>Direct Award or Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed to Subrecipients</u>
WIOA Cluster:					
Department of Labor:					
WIA/WIOA Dislocated Worker Formula Grants	17.278	Central Pennsylvania Workforce Development Corporation	175-17-4132	\$ 1,303	—
Other Programs:					
National Endowment for the Arts:					
Promotion of the Arts – Partnership Agreements	45.025	Mid Atlantic Arts Foundation	17-6100-2052	28,726	—
Small Business Administration:					
Federal and State Technology Partnership Program	59.058	Trustees of the University of Pennsylvania	FAST-2016 Ben Franklin Technology Partners Corporation	4,000	—
Small Business Development Centers	59.037	Trustees of the University of Pennsylvania	SBAHQ-17-B-0057	113,334	—
Small Business Development Centers	59.037	Trustees of the University of Pennsylvania	SBAHQ-18-B-0054	96,971	—
Total CFDA 59.037				<u>210,305</u>	<u>—</u>
Total Other Programs				<u>243,031</u>	<u>—</u>
Total Expenditures of Federal Awards				<u>\$ 21,572,543</u>	<u>54,895</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

BUCKNELL UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) presents the expenditures of Bucknell University's (the University) federal financial assistance programs for the year ended June 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule represents only a portion of the operations of the University, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of the University. Negative amounts on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(2) Summary of Significant Accounting Policies

The Schedule is presented using the accrual basis of accounting, which is consistent with the University's consolidated financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or OMB Circular A-21, *Cost Principles for Educational Institutions*, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Federal Perkins Loan Program

The University administers and accounts for all aspects of the Federal Perkins Loan Program. Therefore, the University's consolidated financial statements include the program's balances and transactions. The balance of loans outstanding under the loan program at June 30, 2018 was \$2,600,616. The amount presented on the Schedule is the beginning balance of the loans outstanding at July 1, 2017 plus the amount of the loans issued (\$266,864) during the fiscal year ended June 30, 2018. No administrative cost allowance was claimed for the Federal Perkins Loan Program for the year ended June 30, 2018.

(4) Federal Direct Loans

For the Federal Direct Loan Programs, the University is responsible only for the performance of certain administrative duties; therefore, the loan balances and transactions for those programs are not included in the University's consolidated financial statements. It is not practical to determine the loan balances outstanding to students under this program as of June 30, 2018.

(5) Indirect costs

The University has a federally negotiated indirect cost rate and therefore may not elect to use the de minimus 10% indirect cost rate.

BUCKNELL UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2018

Section I – Summary of Auditors’ Results

- (a) Type of report issued on whether the consolidated financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the consolidated financial statements:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (c) Noncompliance material to the consolidated financial statements: **No**
- (d) Internal control deficiencies over major programs disclosed by the audit:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (e) The type of report issued on compliance for major programs: **Unmodified**
- (f) Any audit findings which are required to be reported in accordance with 2 CFR 200.516(a): **No**
- (g) Major program:
 - Student Financial Assistance Cluster – various CFDA numbers
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**
- (i) Auditee qualified as a low-risk auditee: **Yes**

Section II – Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None

Section III – Findings and Questioned Costs Relating to Federal Awards

None

Summary Schedule of Prior Year Audit Finding

Reference number: 2017-001

Compliance Requirement: Pell Reporting

Contact person: Elizabeth D. Stewart, Associate Vice President, Treasurer & Controller

Status: **Corrected.** Beginning with the 2017 Fall semester, the University's Financial Aid office prepares a weekly roster of all Pell recipients by semester. The roster documents dates of Pell award postings to each student account, subsequent adjustments, if any, change in student status, if any, and the date(s) the information was reported to the Common Origination and Disbursement (COD) System.