

**STATE OF MARYLAND**

**Single Audit  
with  
Independent Auditors' Report**

**Year Ended June 30, 2008**

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**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS  
AUDITED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**



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## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Honorable Peter Franchot  
 Comptroller of Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Maryland (the State), as of and for the year ended June 30, 2008, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements, schedules and supplementary information are the responsibility of the State's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of (1) certain Economic Development- Loan Programs; (2) Unemployment Insurance Program; (3) Maryland State Lottery Agency; (4) Maryland Transportation Authority; (5) Economic Development Insurance Programs; (6) certain foundations included in the higher education component unit; (7) Maryland Environmental Service; (8) Maryland Food Center Authority; (9) Maryland Technology Development Corporation; (10) Investment Trust Fund; and (11) Deferred Compensation Plan, which represent the percentages of the assets, net assets, and operating revenues or additions of the opinion listed below.

	Percentage of Opinion Unit		
	Total Assets	Total Net Assets	Total Operating Revenues
<b>Business-Type Activities</b>			
Economic Development - Loan Programs	47.39 %	36.51 %	7.66 %
Unemployment Insurance Program	9.94	19.65	13.29
Maryland State Lottery Agency	2.34	.54	56.84
Maryland Transportation Authority	37.55	37.01	12.42
Economic Development Insurance Programs	.99	1.82	.07
Total percentage of business-type activities	<u>98.21</u>	<u>95.53</u>	<u>90.28</u>
<b>Component Units</b>			
Major -			
Higher Education Foundations	15.61 %	17.88 %	3.79 %
Non-Major -			
Maryland Environmental Service	.95	.26	3.74
Maryland Food Center Authority	.29	.42	.12
Maryland Technology Development Corporation	.33	.09	0.88
Total percentage of component units	<u>17.18 %</u>	<u>18.65</u>	<u>8.53</u>
<b>Fiduciary Funds</b>			
Investment Trust Fund	4.75	5.42	72.87
Deferred Compensation Plan	5.30	6.06	4.71
Total percentage of fiduciary funds	<u>10.05 %</u>	<u>11.48 %</u>	<u>77.58 %</u>

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned funds and component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008, on our consideration of the State's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The management's discussion and analysis, required supplemental schedules of funding progress for the Pension and Retirement System and the Maryland Transit Administration Pension Plan, and the respective budgetary comparison for the budgetary general, special and Federal funds as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Abrams, Foster, Nole & Williams, P.A.*  
Abrams, Foster, Nole & Williams, P.A.  
Certified Public Accountants  
Baltimore, Maryland

December 12, 2008

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



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IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Peter Franchot  
Comptroller of Maryland

We have audited the basic financial statements of the State of Maryland (State), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report on the basic financial statements included disclosures regarding our references to the reports of other auditors. The financial statements of the Economic Development – Loan Programs (except for the Maryland Water Quality Financing Administration), an administration of the Maryland Department of the Environment; the Maryland State Lottery Agency; the Maryland Transportation Authority; the Economic Development Insurance Programs; certain foundations included in the higher education component unit; the Maryland Industrial Development Financing Authority, the Maryland Local Government Investment Pool, the Maryland Transit Administration Pension Plan, and the Deferred Compensation Plan were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.



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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

We noted other matters involving the internal control over financial reporting, which we have reported to the management of the State of Maryland, University System of Maryland and Morgan State University in separate letters dated December 12, 2008, November 11, 2008 and December 8, 2008.

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

*Abrams, Foster, Nole-Williams, P.A.*

Abrams, Foster, Nole & Williams, P.A.  
Certified Public Accountants  
Baltimore, Maryland

December 12, 2008

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



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

The Honorable Peter Franchot  
Comptroller of Maryland

**Compliance**

We have audited the compliance of the State of Maryland (State) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2008. The State's major Federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit.

The State's basic financial statements include the operations of the Maryland Water Quality Financing Administration, an administration of the Maryland Department of the Environment, which received Federal awards that are not included in the accompanying Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of this administration because the State engaged other auditors to perform a separate audit in accordance with OMB Circular A-133.

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

with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion. Our audit does not provide a legal determination on the State's compliance with those requirements.

In our opinion, the State complied in all material respects with the requirements referred to above that are applicable to its major Federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the Schedule of Findings and Questioned Costs section of this report as 2008-1, 2008-3, 2008-4, 2008-5, and 2008-6.

### **Internal Control over Compliance**

The management of the State is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the State's internal control over compliance with requirements that could have a direct and material effect on a major Federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-2, 2008-3, 2008-4, 2008-7, 2008-8, 2008-9, 2008-10, 2008-11, 2008-12 and 2008-13 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The State's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the responses and, accordingly, we express no opinion on them.

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

*Abrams, Foster, Nole & Williams, P.A.*

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Baltimore, Maryland

December 12, 2008

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>AGENCY FOR INTERNATION DEVELOPMENT (AID)</u></b>						
Pass-Through PA Consulting Group	02.RD	23,143	\$ -	\$ -	\$ 23,143	
<b>Total AID</b>			-	-	<u>23,143</u>	
<b><u>DEPARTMENT OF AGRICULTURE (DOA)</u></b>						
Agricultural Research: Basic and Applied Research	10.001	-	-	983,693	983,693	
Plant and Animal Disease, Pest Control and Animal Care	10.025	-	-	2,661,506	2,661,506	
Wild Life Service	10.028	-	-	113,419	113,419	
Commodity Loans and Loan Deficiency Payments	10.051	-	-	56,744	56,744	
Federal-State Marketing Improvement Program	10.156	-	-	36,166	36,166	
Market Protection and Promotion	10.163	-	-	160,201	160,201	
Grants for Agricultural Research, Special Research Grants	10.200	-	-	232,724	232,724	
Pass-Through University of Vermont	10.200	-	-	99,646	99,646	
Pass-Through North Carolina State University	10.2005-1995-01	3,263	-	-	3,263	
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	-	-	1,417,769	1,417,769	
Grants for Agricultural Research: Competitive Research Grants	10.206	-	-	120,562	120,562	
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	-	-	46,807	46,807	
Sustainable Agriculture Research and Education	10.215	-	-	535,693	535,693	
1890 Institution Capacity Building Grants	10.216	-	-	1,422,132	1,422,132	
Higher Education Multicultural Scholars Program	10.220	-	-	17,780	17,780	
Agricultural and Rural Economic Research	10.250	-	-	51,935	51,935	
Integrated Programs	10.303	-	-	598,590	598,590	
Pass-Through Pennsylvania State University	10.303	-	-	24,355	24,355	
Homeland Security Agricultural	10.304	-	-	30,485	30,485	
Rural Housing Preservation Grants	10.433	-	-	96,474	96,474	
Crop Insurance	10.450	-	-	397,600	397,600	

"See notes to Schedule of Expenditures of Federal Awards"

**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF AGRICULTURE (DOA), cont.</u></b>						
Egg Products Inspection	10.476	-	-	55,521	55,521	
Cooperative Extension Service	10.500	-	-	4,966,208	4,966,208	
Pass-Through University of Delaware	10.500	-	-	40,106	40,106	
Pass-Through University of Vermont	10.500	-	-	3,719	3,719	
Department Agriculture USDA	10.550	-	-	15,966,000	15,966,000	
<b>Food Stamp Cluster:</b>						
Food Stamps	10.551	-	-	408,445,870	408,445,870	
State Administrative Matching Grants for Food Stamp Program	10.561	-	-	43,183,919	<u>43,183,919</u>	
<b>Total Food stamp Cluster</b>		-	-			451,629,789
<b>Child Nutrition Cluster:</b>						
School Breakfast Program	10.553	-	-	28,746,209	28,746,209	
National School Lunch Program	10.555	-	-	14,368,345	14,368,345	
Special Milk Program for Children	10.556	-	-	406,998	406,998	
Summer Food Service Program for Children	10.559	-	-	90,645,365	<u>90,645,365</u>	
<b>Total Child Nutrition Cluster</b>						134,166,917
Special Supplemental Nutrition Program - WIC	10.557	-	-	84,854,171	84,854,171	
Child and Adult Care Food Program	10.558	-	-	35,396,253	35,396,253	
Administrative Expenses for Child Nutrition	10.560	-	-	2,250,127	2,250,127	
<b>Emergency Food Assistance Cluster:</b>						
Emergency Food Assistance Program (Administrative Costs)	10.568	-	-	798,988	798,988	
Emergency Food Assistance Program (Food Commodities)	10.569	-	-	2,742,807	<u>2,742,807</u>	
<b>Total Emergency Food Assistance Cluster</b>						3,541,795
WIC Farmers' Market Nutrition Program (FMNP)	10.572	-	-	396,802	396,802	
Farmers Market Nutrition Program (SFMNP)	10.576	-	-	93,268	93,268	

"See notes to Schedule of Expenditures of Federal Awards"



**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF AGRICULTURE (DOA), cont.</u></b>						
Food Stamp Program Outreach Grant	10.580	-	-	29,186	29,186	
Contract / Other	10.58-1225-7- 001	23,407	-	-	23,407	
Market Access Program	10.601	-	-	533	533	
Agricultural Mediation Program	10.645	-	-	17,908	17,908	
Cooperative Forestry Assistance	10.664	-	-	2,010,610	2,010,610	
Rural Development, Forestry and Communities	10.672	-	-	5,000	5,000	
Forest Legacy Program	10.676	-	-	9,122	9,122	
Forest Land Enhancement Program	10.677	-	-	1,053	1,053	
Forest Stewardship Program	10.678	-	-	64,463	64,463	
Advancing Wood	10.681	-	-	1,309	1,309	
Rural Cooperative Development Grants	10.771	-	-	(10,306)	(10,306)	
1890 Land Grant Institution Rural Entrepreneurial Outreach Program	10.856	-	-	136,882	136,882	
Soil Survey	10.903	-	-	87,582	87,582	
Environmental Quality	10.912	-	-	340,555	340,555	
Pass-Through Pennsylvania State University	10.912	-	-	17,808	17,808	
Agricultural Land Preservation	10.913	-	-	290,500	290,500	
Agricultural Statistics Reports	10.950	-	-	47,269	47,269	
Technical Agricultural Assistance	10.960	-	-	1,636,520	1,636,520	
Agricultural Research Service	10.RD	2,308,992	-	-	2,308,992	
Animal and Plant Health Inspection Service	10.RD	30,443	-	-	30,443	
Cooperative State Research, Education, and Extension Service (CSREES)	10.RD	8,628,481	-	-	8,628,481	
Pass-Through BouMatic	10.RD	25,107	-	-	25,107	
Pass-Through Colorado State University	10.RD	8,140	-	-	8,140	
Pass-Through Cornell University	10.RD	51,792	-	-	51,792	

"See notes to Schedule of Expenditures of Federal Awards"

STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF AGRICULTURE (DOA), cont.</u></b>						
Pass-Through Kansas State University	10.RD	110,395	-	-	110,395	
Pass-Through Pennsylvania State University	10.RD	2,187	-	-	2,187	
Pass-Through Roger Williams University	10.RD	5,999	-	-	5,999	
Pass-Through University of Delaware	10.RD	25,784	-	-	25,784	
Pass-Through University of Maine	10.RD	5,144	-	-	5,144	
Pass-Through University of Vermont	10.RD	63,442	-	-	63,442	
Economic Research Service	10.RD	108,387	-	-	108,387	
Foreign Agricultural Service	10.RD	2,077,219	-	-	2,077,219	
Forest Service	10.RD	188,501	-	-	188,501	
Natural Resources Conservation Service	10.RD	233,813	-	-	233,813	
Other Department of Agriculture	10.RD	18,077	-	-	18,077	
<b>Total DOA</b>					<b>761,069,524</b>	
<b><u>DEPARTMENT OF COMMERCE (DOC)</u></b>						
Census Special Tabulations and Services	11.005	-	-	83,699	83,699	
Economic Development: Technical Assistance	11.303	-	-	459,825	459,825	
<b>Public Works and Economic Development Cluster:</b>						
Economic Adjustment Assistance	11.307	-	-	6,847,313	6,847,313	
<b>Total Public Works and Economic Development Cluster</b>						6,847,313
Interjurisdictional Fisheries Act of 1986	11.407	-	-	28,223	28,223	
Coastal Zone Management Administration Awards	11.419	-	-	2,925,428	2,925,428	
Coastal Zone Management Estuarine Research Reserves	11.420	-	-	465,755	465,755	
Financial Assistance for National Centers for Coastal Ocean Science	11.426	-	-	590,823	590,823	
Marine Mammal Data Program	11.439	-	-	43,307	43,307	
Environmental Sciences, Applications, Data and Education	11.440	-	-	28,233	28,233	

"See notes to Schedule of Expenditures of Federal Awards"

**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF COMMERCE (DOC), cont.</u></b>						
Unallied Management Program	11.454	-	-	11,371	11,371	
Chesapeake Bay Studies	11.457	-	-	334,729	334,729	
Atlantic Coastal Fisheries Cooperative Management Act	11.474	-	-	163,076	163,076	
Coastal Ocean Research Program	11.478	-	-	191,302	191,302	
Educational Partnership Program	11.481	-	-	2,657,066	2,657,066	
Public Safety Interop Comm Grant PGM - FY 2007	11.555	-	-	35,635	35,635	
Weights and Measures Service	11.606	-	-	22,551	22,551	
Measurement and Engineering Research and Standards	11.609	26,403	-	232,916	259,319	
Manufacturing Extension Partnership	11.611	-	-	322,194	322,194	
Basic Minority Business Development Centers	11.800	-	-	139,803	139,803	
Contract / Other	11.8405IPA01	-	-	(3,549)	(3,549)	
Contract / Other	11.EU133C06 SE4030	-	-	746	746	
Bureau of the Census	11.RD	(2,676)	-	-	(2,676)	
National Institute for Standards and Technology	11.RD	13,793,927	-	-	13,793,927	
National Oceanic and Atmospheric Administration	11.RD	13,592,731	-	-	13,592,731	
Pass-Through Chesapeake Research Consortium	11.RD	446,239	-	-	446,239	
Pass-Through Clemson University	11.RD	43,563	-	-	43,563	
Pass-Through Columbia University	11.RD	3,312	-	-	3,312	
Pass-Through Florida Fish & Wildlife Conservation Commission	11.RD	45,983	-	-	45,983	
Pass-Through GreenEyes, LLC	11.RD	26,043	-	-	26,043	
Pass-Through Harbor Branch Oceanographic Institution	11.RD	3,070	-	-	3,070	
Pass-Through North Pacific Research Board	11.RD	54,457	-	-	54,457	
Pass-Through Oyster Recovery Partnership	11.RD	295,396	-	-	295,396	
Pass-Through Research Foundation of City University of New York	11.RD	119,096	-	-	119,096	

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**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF COMMERCE (DOC), cont.</u></b>						
Pass-Through Rutgers, The State University of New Jersey	11.RD	113,688	-	-	113,688	
Pass-Through Smithsonian Institute	11.RD	159	-	-	159	
Pass-Through Texas A&M Research Foundation	11.RD	80,532	-	-	80,532	
Pass-Through University of New Hampshire	11.RD	144,919	-	-	144,919	
Pass-Through University of North Carolina	11.RD	11,859	-	-	11,859	
Pass-Through Virginia Institute of Marine Science	11.RD	15,487	-	-	15,487	
Contract / Other	11.SB134106 W0979	-	-	6,046	6,046	
Contract/ Other	11.SB134107 SE1015	-	-	811	811	
Contract / Other	11.Unknown	-	-	38,860	38,860	
<b>Total DOC</b>					<b>44,440,351</b>	
<b><u>Department of Defense (DOD)</u></b>						
Procurement Technical Assistance for Business Firms	12.002	-	-	381,643	381,643	
Planning Assistance to States	12.110	-	-	180,848	180,848	
State Memo of Agreement Prog for Reimb of Tech Service	12.113	-	-	648,701	648,701	
Pass-Through Surface Optics Corporation	12.1706HD- UNIV OF MD- 05152006	14,438	-	-	14,438	
Basic and Applied Scientific Research	12.300	449,694	-	960,425	1,410,119	
Research on Chemical & Biological Defense	12.360	-	-	43,812	43,812	
Military Construction, National Guard	12.400	-	-	147,728	147,728	
National Guard Military Operations & Maint	12.401	-	-	12,249,074	12,249,074	
National Guard Civilian Youth Opportunities	12.404	-	-	1,485,405	1,485,405	
Military Medical Research and Development	12.420	-	-	(1,431)	(1,431)	
Basic Scientific Research	12.431	1,801,190	-	275,235	2,076,425	
Pass-Through University of Illinois, Urbana/Champaign	12.431	173,577	-	-	173,577	
National Flagship Language Prog. Grant to US Institution of Higher Education	12.550	-	-	-	-	

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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>Department of Defense (DOD), cont.</u></b>						
Pass-Through Institute of International Education	12.550	-	-	1,315,682	1,315,682	
Community Econ. Adjustment Planning Asst.	12.607	-	-	602,743	602,743	
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	-	25,656	25,656	
Basic, Applied, Advanced Research in Science & Engineering	12.630	99,959	-		99,959	
Motor Week Energy	12.678	-	-	190,000	190,000	
Air Force Defense Research Sciences	12.800	-	-	258,165	258,165	
Language Grant Program	12.900	-	-	538,104	538,104	
Pass-Through Bryn Mawr College	12.900	-	-	25,774	25,774	
Mathematical Sciences Grants Program	12.901	-	-	148,986	148,986	
Information Security Grant Program	12.902	-	-	440,795	440,795	
Contract/Other - Defense Information Systems Agency	12.HC1047-05- D-4015	-	-	1,367,902	1,367,902	
Contract/Other - IPA Contract	12.051	-	-	88,471	88,471	
Contract/Other - IPA Contract	12.070	-	-	177,119	177,119	
Contract / Other	12.IPA- Agreement	55,625	-	-	55,625	
Pass-Through University of California	12.RD	102,273	-	-	102,273	
Department of the Army, Office of the Chief of Engineers	12.RD	483,546	-	-	483,546	
Pass-Through Battelle Memorial Institute	12.RD	16,482	-	-	16,482	
Pass-Through Oyster Recovery Partnership	12.RD	4,095	-	-	4,095	
U.S. Army, Material Command	12.RD	9,763,934	-	-	9,763,934	
Pass-Through Bellcore Company	12.RD	1,289,441	-	-	1,289,441	
Pass-Through California Institute of Technology	12.RD	103,013	-	-	103,013	
Pass-Through Georgetown University	12.RD	38,113	-	-	38,113	
Pass-Through Temple University	12.RD	205,066	-	-	205,066	
Pass-Through University of California, Los Angeles	12.RD	53,391	-	-	53,391	

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**STATE OF MARYLAND  
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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<u>Department of Defense (DOD), cont.</u>						
Pass-Through University of Rochester Institute of Optics	12.RD	270,836	-	-	270,836	
U.S. Army, Medical Command	12.RD	4,458,350	-	-	4,458,350	
Department of the Army, National Guard Bureau	12.RD	66,112	-	-	66,112	
Department of the Navy, Office of Chief of Naval Research	12.RD	13,265,847	-	-	13,265,847	
Pass-Through Johns Hopkins Applied Physics Lab	12.RD	52,734	-	-	52,734	
Pass-Through University of Texas	12.RD	123,874	-	-	123,874	
Pass-Through Woods Hole Oceanographic Institute	12.RD	50,751	-	-	50,751	
Department of the Air Force, Material Command	12.RD	7,173,601	-	-	7,173,601	
Pass-Through University of Michigan	12.RD	79,220	-	-	79,220	
Pass-Through University of Utah	12.RD	55,726	-	-	55,726	
National Security Agency	12.RD	31,958,663	-	-	31,958,663	
Pass-Through BAE Systems of North America	12.RD	146,824	-	-	146,824	
Pass-Through Columbia University	12.RD	10,599	-	-	10,599	
Pass-Through IBM Corporation	12.RD	199,086	-	-	199,086	
Pass-Through New Mexico State University	12.RD	65,373	-	-	65,373	
Defense Advanced Research Projects Agency:	12.RD	1,222,309	-	-	1,222,309	
Pass-Through Princeton University	12.RD	293,658	-	-	293,658	
Pass-Through SRI International	12.RD	113,543	-	-	113,543	
Pass-Through Stanford University	12.RD	66,078	-	-	66,078	
Pass-Through University of Southern California	12.RD	16,299	-	-	16,299	
Office of the Secretary of Defense	12.RD	1,141,496	-	-	1,141,496	
Pass-Through University of Illinois	12.RD	(29,995)	-	-	(29,995)	
Other Department of Defense	12.RD	411,517	-	-	411,517	
Pass-Through Battelle	12.RD	9,229	-	-	9,229	

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**STATE OF MARYLAND  
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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>Department of Defense (DOD), cont.</u></b>						
Pass-Through Henry M. Jackson Foundation	12.RD	(6,357)	-	-	(6,357)	
Pass-Through US Civilian Research & Development Foundation	12.RD	22,038	-	-	22,038	
Contract other	12.Unknown	-	-	141,312	141,312	
Pass-Through Micro Analysis & Design, Inc	12.Unknown	8,185	-	-	8,185	
Contract other Air Force						
Pass-Through IRFlex	12.Unknown	23,633	-	-	23,633	
Contract Other Army						
Pass-Through Agnik, LLC	12.W15P7T-07-C-P1447	15,342	-	-	15,342	
Contract / Other	12.W74RDV-5363-4308	35,101	-	-	35,101	
Contract / Other - US Army Medical Research & Material Command	12.W81XWH-07-1-0565	77,118	-	-	77,118	
Contract / Other	12.W912HQ-06-C-0022	180,912	-	-	180,912	
Pass-Through The Retec Group, Inc.	12.W912HQ-06-C-0025	27,909	-	-	27,909	
Contract Other - Navy						
Pass-Through Rutgers, The State University of New Jersey	12.W912HQ-06-C0031	56,813	-	-	56,813	
<b>Total DOD</b>					<b>98,008,410</b>	
<b><u>CENTRAL INTELLIGENCE AGENCY (CIA)</u></b>						
Contract / Other	13.2005*H370900*000	168,987	-	-	168,987	
Central Intelligence Agency	13.RD	(8)	-	-	(8)	
<b>Total CIA</b>					<b>168,979</b>	
<b><u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</u></b>						
<b>Section 8 Project -Based Cluster:</b>						
Department of Housing and Urban Development	14.000	-	-	380,090	380,090	
Section 8 Housing Assistance Payments Program	14.195	-	-	151,977,716	151,977,716	
Moderate Rehab	14.856	-	-	445,014	445,014	
<b>Total Section 8 Project - Based Cluster</b>						<b>152,422,730</b>

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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), cont.</u></b>						
<b>CDBG Entitlement and (HUD-Administered) Small Cities Cluster:</b>						
Community Development Block Grants/Entitlement Grants	14.218	-	-	88,124	88,124	
Community Development Block Grant/Small Cities Program	14.219	-	-	4,515,355	<u>4,515,355</u>	
<b>Total CDBG Cluster</b>						4,603,479
Community Development Block Grant/State's Program	14.228	-	-	5,815,877	5,815,877	
Supportive Housing Program	14.235	-	-	733,501	733,501	
Shelter Plus Care	14.238	-	-	3,002,986	3,002,986	
HOME Investment Partnership Program	14.239	-	-	7,093,693	7,093,693	
Housing Opportunities for Persons with AIDS	14.241	-	-	898,851	898,851	
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	-	-	21,431	21,431	
Community Dev. Block Grants/Brownfields Economic Dev. Initiative	14.246	8,797	-		8,797	
Economic Development Initiative- Special Projects, Neighborhood Initiatives, and Miscellaneous Grants	14.251	222,750	-		222,750	
Fair Housing Assistance Program: State and Local	14.401	-	-	307,396	307,396	
Historically Black Colleges and Universities Programs	14.520	-	-	244,767	244,767	
HBCU Program	14.52	-	-	116,753	116,753	
Section 8 Housing Choice Vouchers	14.871	-	-	15,620,701	15,620,701	
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	-	-	373,974	373,974	
<b>Total HUD</b>					<b>191,867,776</b>	
<b><u>DEPARTMENT OF INTERIOR (DOI)</u></b>						
Contract / Other	15.06CRCM0 022	134,405	-	-	134,405	
Contract / Other	15.1443CA30 9701200	-	-	13,519	13,519	
Wildland Urban Interface Community Fire Assistance	15.228	-	-	5,875	5,875	
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	-	-	709,610	709,610	
Abandoned Mine Land Reclamation (AMLR) Program	15.252	-	-	1,230,305	1,230,305	

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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF INTERIOR (DOI), cont.</u></b>						
<b>Fish and Wildlife Cluster:</b>						
Sport Fish Restoration	15.605	-	-	2,463,027	2,463,027	
Wildlife Restoration	15.611	-	-	2,049,524	<u>2,049,524</u>	
<b>Total Fish and Wild life Cluster</b>						4,512,551
Cooperative Endangered Species Conservation Fund	15.615	-	-	48,300	48,300	
Clean Vessel Act	15.616	-	-	465,823	465,823	
Wildlife Conservation Appreciation	15.617	-	-	928	928	
Sportfishing and Boating Safety Act	15.622	-	-	765,646	765,646	
Landowner Incentive	15.633	-	-	431,638	431,638	
State Wildlife Grants	15.634	-	-	706,468	706,468	
Pass-Through North Dakota Game and Fish Department	15.634	-	-	74,292	74,292	
US Geological Survey: Research and Data Acquisition	15.808	-	-	103,192	103,192	
National Spatial Data Infrastructure Cooperative Agreements Program	15.809	-	-	1,308	1,308	
Pass-Through American View, Inc.	15.809	-	-	3,252	3,252	
Historic Preservation Fund Grants-In-Aid	15.904	-	-	627,667	627,667	
National Register of Historic Places	15.914	-	-	3,331	3,331	
Technical Preservation Services	15.915	-	-	122	122	
Outdoor Recreation - Acquisition, Development and Planning	15.916	-	-	1,065,000	1,065,000	
Urban Park & Recreation Recovery Program	15.919	-	-	(1,370)	(1,370)	
National Center for Preservation Technology & Training	15.923	-	-	46,555	46,555	
Historically Black Colleges and Universities Preservation Initiative	15.924	-	-	20,679	20,679	
Chesapeake Bay Gate Grants	15.930	-	-	9,942	9,942	
Contract / Other	15.M07PX132 49	-	-	4,992	4,992	
National Park Service	15.RD	463,882	-	-	463,882	

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**STATE OF MARYLAND**  
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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF INTERIOR (DOI), cont.</u></b>						
U.S. Fish and Wildlife Service	15.RD	54,501	-	-	54,501	
Geological Survey	15.RD	550,623	-	-	550,623	
Other Department of Interior - Research and Development	15.RD	327,333	-	-	327,333	
<b>Total DOI</b>					<b>12,380,369</b>	
<b><u>DEPARTMENT OF JUSTICE (DOJ)</u></b>						
Contract / Other	16.000	-	-	1,778,118	1,778,118	
Marijuana Eradication	16.004	-	-	115,963	115,963	
Contract / Other	16.2006-DD- BX-0324	-	-	54,750	54,750	
Contract / Other	16.2007-DD- BX-0713	-	-	158,951	158,951	
Contract / Other	16.2007-DG-R- 034	-	-	6,038	6,038	
Offender Reentry Program	16.202	-	-	50,609	50,609	
Juvenile Accountability Incentive Block Grants	16.523	-	-	727,178	727,178	
Juvenile Justice and Delinquency Prevention: Allocation to States	16.540	-	-	936,995	936,995	
Missing Children's Assistance	16.543	-	-	121,135	121,135	
Title V: Delinquency Prevention Program	16.548	-	-	12,020	12,020	
Maryland Justice Statistics	16.550	-	-	41,560	41,560	
National Criminal History Improvement Program (NCHIP)	16.554	-	-	135,628	135,628	
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	-	1,025,405	1,025,405	
Forensic DNA Lab Improvement	16.564	-	-	800,863	800,863	
Crime Victim Assistance	16.575	-	-	8,474,822	8,474,822	
Crime Victim Compensation	16.576	-	-	1,600,000	1,600,000	
Byrne Formula Grant Program	16.579	-	-	1,381,269	1,381,269	
Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grant Program	16.580	-	-	727,518	727,518	
Drug Court Discretionary Grant Program	16.585	-	-	6,230	6,230	

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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF JUSTICE (DOJ), cont.</u></b>						
Violence Against Women Formula Grants	16.588	-	-	2,327,737	2,327,737	
Grant to Encourage Arrest Policies and Enforcement Of Protection Orders	16.590	-	-	1,029,258	1,029,258	
Local Law Enforcement Block Grants Program	16.592	-	-	87,646	87,646	
Residential Substance Abuse Treatment for State Prisoners	16.593	-	-	985,985	985,985	
Corrections Training and Staff Development	16.601	-	-	15,000	15,000	
State Criminal Alien Assistance Program	16.606	-	-	1,970,782	1,970,782	
Bulletproof Vest Partnership Program	16.607	-	-	77,064	77,064	
Gun Violence Prosecution Program	16.609	-	-	116,914	116,914	
Regional Information Sharing Systems	16.610	(330,286)	-	-	(330,286)	
Enforcing Underage Drinking Laws Program	16.727	-	-	227,828	227,828	
Drug Prevention Program	16.728	-	-	28,215	28,215	
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	16.735	-	-	148,941	148,941	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	-	3,337,848	3,337,848	
DNA Capacity Enhancement FY 06(46195)	16.741	-	-	25,000	25,000	
Anti-Gang Initiative Program	16.744	-	-	257,300	257,300	
Federal Bureau of Investigation	16.RD	38,179	-	-	38,179	
Office of Justice Programs	16.RD	879,481	-	-	879,481	
Office of National Drug Control Policy	16.RD	8,716,767	-	-	8,716,767	
<b>Total DOJ</b>					<b>38,094,711</b>	
<b><u>DEPARTMENT OF LABOR (DOL)</u></b>						
Labor Force Statistics	17.002	-	-	1,160,585	1,160,585	
Compensation and Working Conditions	17.005	-	-	149,613	149,613	
Unemployment Insurance (Note 2)	17.225	-	-	611,850,991	611,850,991	
Comprehensive Manpower Programs	17.227	-	-	86,041	86,041	
Senior Community Service Employment Program	17.235	-	-	1,170,420	1,170,420	

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<b><u>DEPARTMENT OF LABOR (DOL), cont.</u></b>						
Trade Adjustment Assistance : Workers	17.245	-	-	4,044,149	4,044,149	
GWIB - Health Worker Initiative	17.257	-	-	22,462	22,462	
<b>WIA Cluster:</b>						
Workforce Investment Act: Adult Program	17.258	-	-	11,194,153	11,194,153	
Workforce Investment Act: Youth Activities	17.259	-	-	8,762,991	8,762,991	
Workforce Investment Act: Dislocated Workers	17.260	-	-	10,325,775	10,325,775	
Pass-Through Chesapeake College	17.260	-	-	4,803	4,803	
<b>Total WIA Cluster</b>						30,287,722
Employment and Training Administration Pilots, Demonstrations	17.261	-	-	77,341	77,341	
Work Incentives Grant	17.266	-	-	363,865	363,865	
WIA Incentive Grants Section 503 Grants to States	17.267	-	-	716,227	716,227	
<b><u>DEPARTMENT OF LABOR (DOL)</u></b>						
Work Opportunity Tax Credit Program	17.271	-	-	410,630	410,630	
Labor Certification for Alien Workers	17.273	-	-	337,097	337,097	
Occupational Safety and Health-Susan Harwood Training Grants	17.502	-	-	62,147	62,147	
Occupational Safety & Health	17.503	-	-	3,527,943	3,527,943	
Consultation Agreements	17.504	-	-	966,783	966,783	
Occupational Illness & Injury Prevention	17.600	-	-	73,847	73,847	
Employment Programs for People with Disabilities	17.720	-	-	44,578	44,578	
<b>Employment Service Cluster:</b>						
Employment Service	17.207	-	-	12,200,471	12,200,471	
Disabled Veterans' Outreach Program (DVOP)	17.801	-	-	1,403,004	1,403,004	
Local Veterans' Employment Representative Program	17.804	-	-	1,143,215	1,143,215	
<b>Total Employment Service Cluster</b>						14,746,690

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<b><u>DEPARTMENT OF LABOR (DOL), cont.</u></b>						
Bureau of Labor Statistics	17.RD	6,152	-	-	6,152	
Total DOL					670,105,283	
<b><u>DEPARTMENT OF STATE (DOS)</u></b>						
International Education Training and Research	19.430	-	-	633,269	633,269	
Pass-Through U.S. Civilian Research Foundation	19.RD	4,770	-	-	4,770	
Total DOS					638,039	
<b><u>DEPARTMENT OF TRANSPORTATION (DOT)</u></b>						
Contract/Other	20.Unknown	-	-	1,981,538	1,981,538	
Airport Improvement Program	20.106	-	-	8,620,190	8,620,190	
Aviation Research Grants	20.108	-	-	4,242	4,242	
<b>Highway Planning and Construction Cluster:</b>						
Highway Planning and Construction	20.205	-	-	537,603,052	537,603,052	
Appalachian Development Highway System	23.003	-	-	200,178	200,178	
Total Highway Planning Cluster						537,803,230
Highway Training and Education	20.215	199,727	-	-	199,727	
National Motor Carrier Safety	20.218	-	-	1,098,599	1,098,599	
Commercial Driver Lic Grant Agreement	20.232	-	-	190,187	190,187	
Fra - Maglev	20.312	-	-	86,858	86,858	
<b>Federal Transit Cluster:</b>						
Federal Transit: Capital Investment Grants	20.500	-	-	74,965,617	74,965,617	
Federal; Transit: Formula Grants	20.507	-	-	96,408,890	96,408,890	
Total Federal Transit Cluster						171,374,507
Federal Transit: Metropolitan Planning Grants	20.505	-	-	8,200,604	8,200,604	
Formula Grants for Other Than Urbanized Areas	20.509	-	-	3,866,755	3,866,755	

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**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF TRANSPORTATION (DOT)</u></b>						
<b>Transit Services Program Cluster:</b>						
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	-	-	122,655	122,655	
Job Access: Reverse Commute	20.516	-	-	1,355,312	1,355,312	
New Freedom Initiative	20.521	-	-	6,580	<u>6,580</u>	
<b>Total Transit Services Programs Cluster</b>						1,484,547
Alternative Analysis	20.522	-	-	301,310	301,310	
Pass-Through South Carolina State University	20.57- 6000950	-	-	18,316	18,316	
<b>Highway Safety Cluster:</b>						
State and Community Highway Safety	20.600	-	-	7,309,499	7,309,499	
Pass-Through American Association of Motor Vehicle Administrators	20.600	-	-	7,920	<u>7,920</u>	
<b>Total Highway Safety Cluster</b>						7,317,419
National Highway Traffic Safety Administration	20.614	-	-	133,850	133,850	
Pipeline Safety	20.700	-	-	267,173	267,173	
University Transportation Centers Program	20.701	507,781	-	-	507,781	
Interagency Hazardous Materials Public Sector Training and Planning	20.703	-	-	173,431	173,431	
Development and Promotion of Ports and Intermodal Transportation	20.801	-	-	2,393,755	2,393,755	
Federal Aviation Administration	20.RD	334,092	-	-	334,092	
Federal Highway Administration	20.RD	28,262	-	-	28,262	
Pass-Through National Cooperative Highway Research Program	20.RD	802	-	-	802	
Federal Motor Carrier Safety Administration	20.RD	179,411	-	-	179,411	
National Highway Traffic Safety Administration	20.RD	693,624	-	-	693,624	
Pass-Through American Occupational Therapy	20.RD	3,766	-	-	3,766	
Pass-Through Pennsylvania State University	20.RD	1,455	-	-	1,455	
Maritime Administration	20.RD	3,121	-	-	3,121	
Contract / Other	20.Unknown	-	-	2,383	<u>2,383</u>	
<b>Total DOT</b>					<u><b>747,270,936</b></u>	

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<b><u>APPALACHIAN REGIONAL COUNCIL (ARC)</u></b>						
Appalachian Regional Development	23.001	-	-	20,990	20,990	
Appalachian Local Access Roads	23.008	-	-	545,547	545,547	
Appalachian State Research, Technical Assistance	23.011	-	-	138,302	138,302	
Pass-Through East Tennessee State University	23.011	-	-	1,811	1,811	
<b>Total ARC</b>					<b>706,650</b>	
<b><u>EQUAL EMPLOYMENT OPPORTUNITY COMMITTEE (EEOC)</u></b>						
Employment Discrimination: State and Local Fair Employment Practices Agency Contracts	30.002	-	-	380,668	380,668	
<b>Total EEOC</b>					<b>380,668</b>	
<b><u>GENERAL SERVICES ADMINISTRATION (GSA) - NON-CASH EXPENDITURES</u></b>						
Business Services	39.001	-	-	391,617	391,617	
Disposal of Federal Surplus Real Property	39.002	-	-	623	623	
Donation of Federal Surplus Property Program (Note 3)	39.003	-	-	344,269	344,269	
Help America Vote Act	39.011	-	-	510,216	510,216	
<b>Total GSA</b>					<b>1,246,725</b>	
<b><u>LIBRARY OF CONGRESS</u></b>						
Library of Congress	42.RD	82,836	-	-	82,836	
<b>Total Library of Congress</b>					<b>82,836</b>	
<b><u>NATIONAL AERONAUTICS &amp; SPACE ADMINISTRATION (NASA)</u></b>						
Aerospace Education Services Program	43.001	2,924,956	-	743,979	3,668,935	
Pass-Through Diversified Career and Educational Services Program	43.001	-	-	863	863	
Pass-Through Jet Propulsion Lab	43.001	-	-	75,893	75,893	
Pass-Through Woods Hole Oceanographic Institute	43.001	-	-	75,192	75,192	
Technology Transfer	43.002	-	-	82,347	82,347	
Pass-Through Johns Hopkins University	43.002	-	-	5,858	5,858	

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<b><u>NATIONAL AERONAUTICS &amp; SPACE ADMINISTRATION (NASA), cont.</u></b>						
Pass-Through Mississippi State University	43.NNS06AA6 5D	12,855	-	-	12,855	
NASA	43.RD	59,549,579	-	-	59,549,579	
Pass-Through AdTech Photonics, Inc	43.RD	62,414	-	-	62,414	
Pass-Through Apeak, inc.	43.RD	16,789	-	-	16,789	
Pass-Through Battelle Memorial Institute	43.RD	838	-	-	838	
Pass-Through Boston University	43.RD	2,059	-	-	2,059	
Pass-Through California Institute of Technology	43.RD	(3)	-	-	(3)	
Pass-Through Carnegie Institute of Washington	43.RD	47,222	-	-	47,222	
Pass-Through Columbia University	43.RD	105,015	-	-	105,015	
Pass-Through Florida Institute of Technology	43.RD	58,696	-	-	58,696	
Pass-Through George Mason University	43.RD	53,734	-	-	53,734	
Pass-Through Georgia Institute of Technology	43.RD	3,127	-	-	3,127	
Pass-Through Institute for Global Environment and Society	43.RD	143,076	-	-	143,076	
Pass-Through Jet Propulsion Lab	43.RD	550,843	-	-	550,843	
Pass-Through Johns Hopkins University	43.RD	3,883	-	-	3,883	
Pass-Through Johns Hopkins University/Applied Physics Lab	43.RD	189,235	-	-	189,235	
Pass-Through Lowell Observatory	43.RD	8,552	-	-	8,552	
Pass-Through Lunar and Planetary Institute	43.RD	13,050	-	-	13,050	
Pass-Through Massachusetts Institute of Technology	43.RD	127,218	-	-	127,218	
Pass-Through Michigan State University	43.RD	124,429	-	-	124,429	
Pass-Through National Institute of Aerospace	43.RD	580,036	-	-	580,036	
Pass-Through Oregon State University	43.RD	161,933	-	-	161,933	
Pass-Through Science and Engineering Service Inc	43.RD	67,268	-	-	67,268	
Pass-Through Science and Engineering Service Inc	43.RD	14,279	-	-	14,279	

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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>NATIONAL AERONAUTICS &amp; SPACE ADMINISTRATION (NASA), cont.</u></b>						
Pass-Through Sigma Space Corporation	43.RD	37,087	-	-	37,087	
Pass-Through Smithsonian Astrophysical Observatory	43.RD	16,350	-	-	16,350	
Pass-Through South Dakota State University	43.RD	1,842	-	-	1,842	
Pass-Through Southwest Research Institute	43.RD	13,215	-	-	13,215	
Pass-Through Space Telescope Science Institute	43.RD	424,618	-	-	424,618	
Pass-Through SP Systems, Inc.	43.RD	54,166	-	-	54,166	
Pass-Through Stinger Ghaffarian Technologies, Inc.	43.RD	39,331	-	-	39,331	
Pass-Through University of Arizona at Tucson	43.RD	10,565	-	-	10,565	
Pass-Through University of California	43.RD	(4)	-	-	(4)	
Pass-Through University of California, Irvine	43.RD	19,562	-	-	19,562	
Pass-Through University of California, Los Angeles	43.RD	38,291	-	-	38,291	
Pass-Through University of California at Berkley - Space Science Lab	43.RD	99,408	-	-	99,408	
Pass-Through University of California, Santa Barbara	43.RD	40,077	-	-	40,077	
Pass-Through University of Delaware	43.RD	61,946	-	-	61,946	
Pass-Through University of Georgia	43.RD	38,601	-	-	38,601	
Pass-Through University of Oregon	43.RD	64,132	-	-	64,132	
Pass-Through University of Utah	43.RD	18,787	-	-	18,787	
Pass-Through Yale University	43.RD	1,667	-	-	1,667	
Contract / Other	43.Unknown	-	-	658,341	658,341	
Pass-Through New Mexico State University	43.Unknown	-	-	6,000	6,000	
Contract / Other	43.W30977	-	-	129,277	129,277	
<b>Total NASA</b>					<b>67,578,474</b>	

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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES (NFAH)</u></b>						
Promotion of the Arts: Grants to Organizations and Individuals	45.024	-	-	9,030	9,030	
Pass-Through New England Foundation for the Arts	45.024	-	-	5,000	5,000	
Promotion of the Arts: Partnership Agreements	45.025	-	-	628,111	628,111	
Pass-Through Mid-Atlantic Arts Foundation	45.025	-	-	28,680	28,680	
Promotion of the Humanities: Division of Preservation and Access	45.149	-	-	51,870	51,870	
Promotion for the Humanities - Research	45.161	-	-	80,539	80,539	
Promotion of the Humanities-Digital Humanities Initiative	45.169	-	-	1,972	1,972	
Conservation Project Support	45.303	-	-	83,095	83,095	
Museum Grant for African American History and Culture	45.309	-	-	8,505	8,505	
State Library Program	45.310	-	-	4,170,123	4,170,123	
Laura Bush 21 Century Librarian Program	45.313	-	-	78,519	78,519	
Pass-Through Rice University	45.RD	73,215	-	-	73,215	
National Endowment for the Arts	45.RD	45,000	-	-	45,000	
National Endowment for the Humanities	45.RD	50,715	-	-	50,715	
<b>Total NFAH</b>					<b>5,501,516</b>	
<b><u>NATIONAL SCIENCE FOUNDATION (NSF)</u></b>						
Engineering Grants	47.041	260,659	-	323,085	583,744	
Pass-Through Alfred P. Sloan Foundation	47.041	-	-	2,504	2,504	
Mathematical and Physical Sciences	47.049	16,231	-	209,399	225,630	
Geosciences	47.050	-	-	49,915	49,915	
Pass-Through Consortium of Universities for the Advancement of Hydrologic Science	47.050	-	-	(4,782)	(4,782)	
Hyperspec Remote Sensing	47.05	37,400	-		37,400	
Computer and Information Science and Engineering	47.070	833	-	48,308	49,141	
Biological Sciences	47.074	3,747	-	321,065	324,812	

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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>NATIONAL SCIENCE FOUNDATION (NSF), cont.</u></b>						
Pass-Through Cary Institute of Ecosystem Studies	47.074	-	-	140,818	140,818	
Pass-Through Ecological Society of America	47.074	-	-	14,417	14,417	
Pass-Through George Washington University	47.074	-	-	13,252	13,252	
Social, Behavioral, and Economic Sciences	47.075	-	-	1,009,515	1,009,515	
Pass-Through Florida Education Fund	47.075	-	-	3,750	3,750	
Pass-Through Gilder Lehrman Institute	47.075	-	-	(218)	(218)	
Education and Human Resources	47.076	1,022,656	-	9,104,884	10,127,540	
Pass-Through Baltimore County Public Schools	47.076	-	-	545	545	
Pass-Through Prince George's Community College	47.076	-	-	163	163	
International Science & Engineering (OISE)	47.079	-	-	10,568	10,568	
Contract / Other	47.DMS05524 27	-	-	154,481	154,481	
Contract / Other	47.IIS0540645	-	-	141,178	141,178	
National Science Foundation (NSF)	47.RD	50,078,738	-	-	50,078,738	
Pass-Through Auburn University	47.RD	(4,386)	-	-	(4,386)	
Pass-Through Boston University	47.RD	137,912	-	-	137,912	
Pass-Through Carnegie Institution of Washington	47.RD	115,188	-	-	115,188	
Pass-Through Cary Institute of Ecosystem Studies	47.RD	1,826	-	-	1,826	
Pass-Through Chesapeake Research Consortium	47.RD	103,359	-	-	103,359	
Pass-Through Clark University	47.RD	26,233	-	-	26,233	
Pass-Through Colorado School of Mines	47.RD	(79)	-	-	(79)	
Pass-Through Duke University	47.RD	(1,265)	-	-	(1,265)	
Pass-Through Florida State University	47.RD	37,123	-	-	37,123	
Pass-Through George Mason University	47.RD	(76)	-	-	(76)	
Pass-Through Iowa State University	47.RD	164,041	-	-	164,041	

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<b><u>NATIONAL SCIENCE FOUNDATION (NSF), cont.</u></b>						
Pass-Through National Academy of Engineering	47.RD	2,032	-	-	2,032	
Pass-Through National Bureau of Economic Research, Inc.	47.RD	12,487	-	-	12,487	
Pass-Through National Radio Astronomy Observatory	47.RD	11,432	-	-	11,432	
Pass-Through New Jersey Institute of Technology	47.RD	60,906	-	-	60,906	
Pass-Through New Mexico State University	47.RD	12,179	-	-	12,179	
Pass-Through Oregon Health and Science University	47.RD	65,552	-	-	65,552	
Pass-Through Purdue University	47.RD	89,556	-	-	89,556	
Pass-Through Siena College	47.RD	19,832	-	-	19,832	
Pass-Through Smithsonian Institute	47.RD	28,810	-	-	28,810	
Pass-Through SPIE	47.RD	17,019	-	-	17,019	
Pass-Through SRI International	47.RD	28,717	-	-	28,717	
Pass-Through St. Joseph's College of Maine	47.RD	33,934	-	-	33,934	
Pass-Through University of California, Irvine	47.RD	25,967	-	-	25,967	
Pass-Through University of California, Los Angeles	47.RD	164,808	-	-	164,808	
Pass-Through University of Colorado	47.RD	67,595	-	-	67,595	
Pass-Through University of Connecticut	47.RD	65,849	-	-	65,849	
Pass-Through University of Delaware	47.RD	(82)	-	-	(82)	
Pass-Through University of Indiana	47.RD	54,064	-	-	54,064	
Pass-Through University of Miami	47.RD	20,396	-	-	20,396	
Pass-Through University of Michigan	47.RD	269,329	-	-	269,329	
Pass-Through University of New Hampshire	47.RD	8,286	-	-	8,286	
Pass-Through University of Southern California	47.RD	11,707	-	-	11,707	
Pass-Through University of Virginia	47.RD	(9,731)	-	-	(9,731)	
Pass-Through University of Washington	47.RD	78,705	-	-	78,705	

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<b><u>NATIONAL SCIENCE FOUNDATION (NSF), cont.</u></b>						
Pass-Through University of Western Michigan	47.RD	98,557	-	-	98,557	
Pass-Through University of Wisconsin	47.RD	880,234	-	-	880,234	
Pass-Through US Civilian Research and Development Foundation	47.RD	5,656	-	-	5,656	
Pass-Through Venture Group	47.RD	(92)	-	-	(92)	
Pass-Through Virginia Commonwealth University	47.RD	118,054	-	-	118,054	
Pass-Through Yale University	47.RD	22,641	-	-	22,641	
Contract / Other	47.Unknown	-	-	988,475	988,475	
<b>Total NSF</b>					<b>66,795,861</b>	
<b><u>SMALL BUSINESS ADMINISTRATION (SBA)</u></b>						
7(i) Technical Assistance	59.007	283,109	-	-	283,109	
Small Business Development Center	59.037	-	-	1,015,709	1,015,709	
Contract/Other	59.Unknown	-	-	237,109	237,109	
<b>Total SBA</b>					<b>1,535,927</b>	
<b><u>VETERANS ADMINISTRATION (VA)</u></b>						
Veterans State Domiciliary Care	64.014	-	-	1,429,801	1,429,801	
Veterans State Nursing Care	64.015	-	-	5,227,638	5,227,638	
Burial Expenses Allowance	64.101	-	-	722,107	722,107	
Vocational and Educational Counseling for Service Members and Veterans	64.125	-	-	198,889	198,889	
State Cemetery Grant	64.203	-	-	6,912,000	6,912,000	
Contract/Other	64.IPA- AGREEMENT	140,335	-	-	140,335	
Veterans Benefits Administration – Research and Development	64.RD	504	-	-	504	
Veterans Health Administration – Research and Development	64.RD	7,017,074	-	-	7,017,074	
Pass-Through PARRA Consulting Group, Inc	64.RD	46,498	-	-	46,498	
Contract/Other	64.Unknown	12,423	-	68,833	81,256	
<b>Total VA</b>					<b>21,776,102</b>	

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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>						
Surveys Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	-	-	871,361	871,361	
Water Pollution Control: State and Interstate Program Support	66.419	-	-	10,064	10,064	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(B)(3) of the Clean Water Act	66.436	-	-	144,869	144,869	
Construction Management Assistance	66.438	-	-	38,337	38,337	
Pass-Through National Fish & Wildlife Foundation	66.439	-	-	85,278	85,278	
Water Quality Management Planning	66.454	-	-	319,705	319,705	
Nonpoint Source Implementation Grants	66.460	-	-	2,967,687	2,967,687	
Wetlands Protection: Development Grants	66.461	-	-	144,657	144,657	
Water Quality Cooperative Agreements	66.463	-	-	68,243	68,243	
Chesapeake Bay Program	66.466	-	-	4,613,903	4,613,903	
Operator Certification Expense Reimbursement	66.471	-	-	32,697	32,697	
Beach Monitoring and Notification Program Implementation Grants	66.472	-	-	287,536	287,536	
Water Protection Grants to the States	66.474	-	-	135,941	135,941	
MD Regulatory Wetland Program Enhancement	66.479	-	-	149,309	149,309	
Assessment & Watershed Protection	66.480	-	-	65,205	65,205	
Environmental Protection-Consolidated Research	66.600	-	-	11,172	11,172	
Office of Research and Dev. Consolidated Research	66.511	-	-	43,489	43,489	
Greater Research Opportunities (GRO) Fellowships for Undergraduate/Graduate Environmental Study	66.513	-	-	2,425	2,425	
Science to Achieve Results Fellowship Program	66.514	-	-	5,841	5,841	
P3 Award: National Student Design Competition for Sustainability	66.516	-	-	(29)	(29)	
Performance Partnership Grants (PPGs)	66.605	-	-	10,341,792	10,341,792	
Surveys, Studies, Investigations and Special Purpose Grants	66.606	-	-	717,916	717,916	
Environmental Information Exchange Network Grant Program	66.608	-	-	431,172	431,172	
Consolidated Pesticide Enforcement Cooperative Agreements	66.700	-	-	294,909	294,909	

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<b><u>ENVIRONMENTAL PROTECTION AGENCY (EPA), cont.</u></b>						
Pollution Prevention Grants Program	66.708	-	-	82,992	82,992	
Superfund State Site: Specific Cooperative Agreements	66.802	-	-	652,346	652,346	
Leaking Underground Storage Tank Program	66.805	-	-	864,422	864,422	
Superfund State and Indian Tribe Core Program: Cooperative Agreements	66.809	-	-	512,802	512,802	
State and Tribal Response Program Grants	66.817	-	-	434,422	434,422	
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	-	-	41,848	41,848	
Environmental Protection Agency	66.RD	(80,653)	-	-	(80,653)	
Office of Air and Radiation	66.RD	27,980	-	-	27,980	
Office of Administration	66.RD	210,212	-	-	210,212	
Office of Research and Development	66.RD	1,233,810	-	-	1,233,810	
Pass-Through Center for Watershed Protection	66.RD	38,050	-	-	38,050	
Pass-Through Johns Hopkins University	66.RD	25,660	-	-	25,660	
Pass-Through Institute of Ecosystem Studies	66.RD	24,773	-	-	24,773	
Pass-Through Menzie Cura and Associates	66.RD	(4,199)	-	-	(4,199)	
Pass-Through Metropolitan Washington Council of Governments	66.RD	22,464	-	-	22,464	
Pass-Through University of Michigan	66.RD	26,083	-	-	26,083	
Office of Prevention, Pesticides and Toxic Substances	66.RD	28,000	-	-	28,000	
Office of Water	66.RD	55,456	-	-	55,456	
<b>Total EPA</b>					<b>25,979,947</b>	
<b><u>NATIONAL REGULATORY COMMISSION (NRC)</u></b>						
US Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	161,534	-	-	161,534	
National Regulatory Commission (NRC)	77.999	-	-	79,906	79,906	
<b>Total NRC</b>					<b>241,440</b>	

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<b><u>DEPARTMENT OF ENERGY (DOE)</u></b>						
State Energy Program	81.041	-	-	648,822	648,822	
Weatherization Assistance for Low-Income Persons	81.042	-	-	2,634,305	2,634,305	
Office of Science Financial Assistance Program	81.049	-	-	9,989	9,989	
Contract / Other	81.051	-	-	31,009	31,009	
Institutional Conversation Program	81.052	-	-	2,188	2,188	
University Coal Research	81.057	41,423	-	-	41,423	
Renewable Energy Research and Development	81.087	-	-	34,240	34,240	
State Heating Oil and Propane Programs	81.090	-	-	11,978	11,978	
University Nuclear Science and Reactor Support	81.114	-	-	23,718	23,718	
Energy Efficiency and Renewable Energy	81.117	-	-	16,818	16,818	
State Energy Program Special Projects	81.119	-	-	188,650	188,650	
Pass-Through Battelle Corporation	81.DE-AC05- 76RL01830	(16,940)	-	-	(16,940)	
Contract / Other	81.DE-FG02- 05ER64082	216,747	-	-	216,747	
Contract / Other	81.DE-FG02- 07ER64339	44,636	-	-	44,636	
Contract / Other	81.DE-FG02- 99ER62859	203	-	-	203	
Pass-Through Advanced Resources International, Inc	81.RD	(443)	-	-	(443)	
Office of Fossil Energy	81.RD	2,800	-	-	2,800	
Office of Nuclear Energy	81.RD	177,115	-	-	177,115	
Pass-Through North Carolina State University	81.RD	99,460	-	-	99,460	
Office of Science	81.RD	6,199,208	-	-	6,199,208	
Pass-Through Advanced Thermal and Environmental Concepts, Inc.	81.RD	46,000	-	-	46,000	
Pass-Through HyperV Technologies, Inc.	81.RD	118,327	-	-	118,327	
Pass-Through Northern Arizona University	81.RD	2,786	-	-	2,786	
Pass-Through Pennsylvania State University	81.RD	102,700	-	-	102,700	

"See notes to Schedule of Expenditures of Federal Awards"



**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF ENERGY (DOE), cont.</u></b>						
Pass-Through Tulane University	81.RD	72,744	-	-	72,744	
Pass-Through University of Massachusetts	81.RD	51,246	-	-	51,246	
Other Department of Energy – Research and Development	81.RD	2,904,404	-	-	2,904,404	
Pass-Through Battelle Energy Alliance	81.RD	22,625	-	-	22,625	
Pass-Through Sandia National Labs	81.RD	95,433	-	-	95,433	
Pass-Through University of California	81.RD	45,203	-	-	45,203	
Pass-Through University of Wisconsin-Madison	81.RD	21,514	-	-	21,514	
<b>Total DOE</b>					<b>13,848,908</b>	
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)</u></b>						
National Fire Academy Educational Program	83.010	-	-	6,596	6,596	
Contract / Other	83.Unknown	-	-	62,249	62,249	
<b>Total FEMA</b>					<b>68,845</b>	
<b><u>DEPARTMENT OF EDUCATION (DED)</u></b>						
Adult Education: State Grant Program	84.002	-	-	9,728,445	9,728,445	
Federal Supplemental Education Opportunity Grant	84.007	-	6,777,115	-	6,777,115	
Title I Grants to Local Educational Agencies	84.010	-	-	211,838,620	211,838,620	
Migrant Education: State Grant Program	84.011	-	-	729,641	729,641	
Title I Program for Neglected and Delinquent Children	84.013	-	-	1,264,351	1,264,351	
International Overseas Group Projects Abroad	84.021	-	-	63,411	63,411	
Idea - Part E Innovation & Development	84.023	-	-	2,602,935	2,602,935	
<b>Special Education Cluster:</b>						
Special Education: Grants to States	84.027	-	-	191,519,479	191,519,479	
Pass-Through Government of the District of Columbia	84.027	-	-	149,100	149,100	
Special Education: Preschool Grants	84.173	-	-	6,900,880	6,900,880	
<b>Total Special Education (IDEA) Cluster</b>						<b>198,569,459</b>

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STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF EDUCATION (DED), cont.</u></b>						
Grants for Parent Training	84.029	-	-	253,413	253,413	
Higher Education Institutional Aid	84.031	-	-	11,203,373	11,203,373	
Federal Family Educational Loan	84.032	-	315,708,340	-	315,708,340	
Federal Work-Study Program	84.033	-	5,905,924	-	5,905,924	
Federal Perkins Loan Cancellations	84.037	-	18,489	678,814	697,303	
Federal Perkins Loan Program	84.038	-	74,192,371		74,192,371	
<b>TRIO Cluster:</b>						
TRIO - Student Support Services	84.042	-	-	1,995,388	1,995,388	
TRIO - Talent Search	84.044	-	-	910,178	910,178	
TRIO: Upward Bound	84.047	-	-	3,890,150	3,890,150	
Pass-Through Meeting the Challenge, Inc.	84.047	-	-	237,257	237,257	
TRIO: McNair Post – Baccalaureate Achievement	84.217	-	-	952,211	<u>952,211</u>	
<b>Total TRIO Cluster</b>						7,985,184
Vocational, Education - Basic Grants to the State	84.048	-	-	16,808,229	16,808,229	
Federal Pell Grant Program	84.063	-	80,725,696	-	80,725,696	
Leveraging educational assistance Partnership	84.069	-	-	1,271,546	1,271,546	
Fund for the Improvement of Postsecondary Education	84.116	-	-	380,601	380,601	
Video Cases for Novice College Mathematics Instructors	84.116B	-	-	9,629	9,629	
Minority Science and Engineering Improvement	84.120	-	-	318,916	318,916	
Rehabilitation Services: Vocational Rehabilitation Grants to States	84.126	-	-	36,021,958	36,021,958	
Rehabilitation Long-Term Training	84.129	-	-	864,490	864,490	
National Institute on Disability and Rehabilitation Research	84.133	-	-	314,848	314,848	
Business and International Education Projects	84.153	-	-	4,797	4,797	
Rehabilitation Services: Client Assistance Program	84.161	-	-	195,207	195,207	

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**STATE OF MARYLAND  
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YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF EDUCATION (DED), cont.</u></b>						
Independent Living: State Grants	84.169	-	-	40,018	40,018	
Rehabilitation Service: Independent Living Services for Older Blind Individuals	84.177	-	-	95,697	95,697	
Special Education: Grants for Infants and Families with Disabilities	84.181	-	-	8,530,074	8,530,074	
Safe and Drug-Free Schools and Communities National Programs	84.184	-	-	137,070	137,070	
Robert C. Byrd Honors Scholarships	84.185	-	-	671,250	671,250	
Safe and Drug-Free Schools and Communities: State Grants	84.186	-	-	5,831,497	5,831,497	
Supported Employment Services for Individuals with Severe Handicaps	84.187	-	-	11,103	11,103	
Bilingual Education: Professional Development	84.195	-	-	331,382	331,382	
Education of Homeless Children & Youth	84.196	-	-	715,985	715,985	
Graduate Assistance in Areas of National Need	84.200	-	-	1,137,010	1,137,010	
Javits G/T	84.206	-	-	225,284	225,284	
Even Start: State Educational Agencies	84.213	-	-	1,540,278	1,540,278	
Fund for the Improvement of Education	84.215	-	-	369,421	369,421	
Pass-Through Baltimore County Public Schools	84.215	-	-	105,082	105,082	
Pass-Through Howard Co Public Schools	84.215	-	-	95,371	95,371	
Pass-Through Wicomico County Board of Education	84.215	-	-	33,231	33,231	
State Improvement Program	84.218	-	-	(922)	(922)	
Centers for International Business Education	84.220	-	-	364,996	364,996	
Assistive Technology	84.224	-	-	440,086	440,086	
Rehabilitation Services Demonstration and Training	84.235	-	-	632,878	632,878	
Tech--Prep Education	84.243	-	-	1,819,836	1,819,836	
Rehabilitation Training: State Vocational Rehabilitation Unit In-Service Training	84.265	-	-	148,101	148,101	
Federal Direct Loan	84.268	-	272,151,979	-	272,151,979	
Pass-Through United Negro College Fund	84.269	-	-	231,418	231,418	

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STATE OF MARYLAND  
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YEAR ENDED JUNE 30, 2008

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF EDUCATION (DED), cont.</u></b>						
General Supervision Enhancement Grant	84.373	-	-	390,694	390,694	
Middle School Training Program	84.281	-	-	16,278	16,278	
The Charter School Program	84.282	-	-	5,098,006	5,098,006	
Twenty-First Century Community Learning Centers	84.287	-	-	12,680,640	12,680,640	
Pass-Through Somerset County Board of Education	84.287	-	-	37,501	37,501	
<b>Bilingual Education Cluster:</b>						
Bilingual Education: Program Development and Implementation Grant	84.288	-	-	3,068	<u>3,068</u>	
<b>Total Bilingual Cluster</b>						3,068
Innovative Education Program Strategies	84.298	-	-	2,122,935	2,122,935	
Technology Literacy Challenge Fund Grants	84.318	-	-	3,856,979	3,856,979	
Special Education: State Program Improvement Grants for Children with Disabilities	84.323	-	-	1,219,662	1,219,662	
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	-	-	2,756,607	2,756,607	
Special Education: Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	-	-	329,758	329,758	
Advanced Placement Incentive Program	84.330	-	-	1,267,814	1,267,814	
Grants to States for Incarcerated Youth Offenders	84.331	-	-	375,750	375,750	
Comprehensive School Reform Demonstration	84.332	-	-	485,191	485,191	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	-	-	2,871,860	2,871,860	
Pass-Through Allegany County Board of Education	84.334	-	-	25,782	25,782	
Child Care Access Means Parents in School	84.335	-	-	15,517	15,517	
Teacher Quality Enhancement Grants	84.336	-	-	1,398,185	1,398,185	
Reading Excellence Program	84.338	-	-	(45,900)	(45,900)	
Class Size Reduction	84.340	-	-	(17,071)	(17,071)	
Preparing Tomorrow's Teachers to Use Technology	84.342	-	-	255,253	255,253	
Occupation and Employment Information State Grants	84.346	-	-	13,647	13,647	

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**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF EDUCATION (DED), cont.</u></b>						
Transition to Teaching	84.350	-	-	459,248	459,248	
Reading First State Grants	84.357	-	-	12,783,628	12,783,628	
English Language Acquisition Grants	84.365	-	-	7,080,458	7,080,458	
Mathematics and Science Partnerships	84.366	-	-	1,820,939	1,820,939	
Pass-Through State of Delaware	84.366	-	-	96,186	96,186	
Improving Teacher Quality State Grants	84.367	-	-	38,039,262	38,039,262	
Pass-Through State of Delaware	84.367	-	-	170,322	170,322	
Grants for State Assessments and Related Activities	84.369	-	-	9,045,298	9,045,298	
Statewide Longitudinal Data System	84.372	-	-	2,232,844	2,232,844	
Academic Competitiveness Grants	84.375	-	518,426	-	518,426	
ACG Program	84.375	-	113,389	-	113,389	
Academic Competitiveness Grants (ACG)	84.375	-	17,309	-	17,309	
Academic Competitiveness Grant	84.375	-	49,100	-	49,100	
National SMART Program	84.376	-	376,234	-	376,234	
National Writing Project	84.928	-	-	5,031	5,031	
Pass-Through University of California	84.928	-	-	150,915	150,915	
Temp Emergency Aid - Impact Aid Katrina	84.938	-	-	(774,823)	(774,823)	
2004 Unsolicited Grants	84.955	-	-	503,193	503,193	
Contract/Other	84.ED-04-C0- 0137	-	-	2,914	2,914	
Pass-Through Anne Arundel County Public Schools	84.RD	119,008	-	-	119,008	
Institute of Education Sciences	84.RD	1,286,123	-	-	1,286,123	
Pass-Through George Mason University	84.RD	6,998	-	-	6,998	
Postsecondary Education	84.RD	249,710	-	-	249,710	
Special Education and Rehabilitative Services	84.RD	74,265	-	-	74,265	
<b>Total DED</b>					<b>1,389,678,061</b>	

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**STATE OF MARYLAND  
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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>SMITHSONIAN INSTITUTION</u></b>						
Comprehensive Service - Independent Living	85.169	-	-	152,631	152,631	
Rehab Act of 1973-ILS for OBI	85.177	-	-	449,549	449,549	
Rehab Act of 1973-SUP for WEMPLOY	85.187	-	-	348,109	348,109	
The Woodrow Wilson International Center for Scholars	85.300	-	-	17,515	17,515	
The Woodrow Wilson International Center for Scholars	85.RD	72,438	-	-	72,438	
Smithsonian Institution	85.RD	24,998	-	-	24,998	
<b>Total Smithsonian Institution</b>					<b>1,065,240</b>	
<b><u>NATIONAL ARCHIVES &amp; RECORDS ADMINISTRATION</u></b>						
National Historical Publications & Records Grants	89.003	-	-	33,485	33,485	
National Archives and Records Administration – Research and Development	89.RD	164,708	-	-	164,708	
<b>Total National Archives &amp; Records Administration</b>					<b>198,193</b>	
<b><u>ELECTION ASSISTANCE COMMISSION</u></b>						
Help America Vote Act	90.401	-	-	1,649,088	1,649,088	
Election Assistance Commission - Research & Development	90.RD	9,152	-	-	9,152	
<b>Total Election Assistance Commission</b>					<b>1,658,240</b>	
<b><u>U.S INSTITUTE OF PEACE</u></b>						
United States Institute of Peace - Research & Development	91.RD	35,436	-	-	35,436	
<b>Total U.S. Institute of Peace</b>					<b>35,436</b>	
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)</u></b>						
Contract / Other	93.Unknown	-	-	4,889,949	4,889,949	
Public Health and Social Services Emergency Fund	93.003	-	-	419,286	419,286	
Cooperative Agreements to Improve the Health Status of Minority Populations	93.004	157,994	-	-	157,994	
Minority Health State Partnership	93.006	-	-	156,031	156,031	
Medical Reserve Corp Small Grant Program	93.008	-	-	38,055	38,055	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS), cont.</u></b>						
Programs for Prevention of Elder Abuse	93.041	-	-	359,803	359,803	
Long Term Care Ombudsman Services for Older Individuals	93.042	-	-	111,915	111,915	
<b>Aging Cluster:</b>						
Special Programs for the Aging: Title III, Part F: Disease Prevention and Health Promotion Services	93.043	-	-	358,997	358,997	
Special Programs for the Aging: Title III, Part B: Grants for Supportive Services and senior Centers	93.044	-	-	6,621,432	6,621,432	
Special Programs for the Aging: Title III, Part C: Nutrition Services	93.045	-	-	9,167,191	9,167,191	
Nutrition Services Incentive Program	93.053	-	-	1,794,725	<u>1,794,725</u>	
<b>Total Aging Cluster</b>						17,583,348
Special Programs for the Aging: Title IV: Training, Research and Discretionary Projects & Programs	93.048	-	-	995,185	995,185	
Alzheimer's Disease Demonstration Grants to States	93.051	-	-	278,965	278,965	
Nation Family Caregiver Support Program	93.052	-	-	2,460,624	2,460,624	
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	-	-	931,466	931,466	
Food and Drug Administration: Research	93.103	-	-	171,352	171,352	
Maternal and Child Health Federal Consolidated Programs	93.110	-	-	150,516	150,516	
Maternal and Child Health Bureau	93.110W	5,992	-	-	5,992	
Biological Response to Environmental Health Hazards	93.113	-	-	196,903	196,903	
Project Grants and Cooperative agreements for Tuberculosis Control Programs	93.116	-	-	1,182,381	1,182,381	
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	-	-	204,103	204,103	
Emergency Medical Services for Children	93.127	-	-	100,000	100,000	
Primary Care Services: Resource Coordination and Development: Primary Care Offices	93.130	-	-	270,550	270,550	
Injury Prevention and Control Research and State and Community Based Programs	93.136	-	-	1,389,389	1,389,389	
Community Program to Improve Minority Hlth	93.137	-	-	84,279	84,279	
Project for Assistance in Transition from Homelessness (PATH)	93.150	-	-	1,005,199	1,005,199	
Coordinated HIV Services and Access to Research for Children, Youth, Women and Families	93.153	-	-	1,373,896	1,373,896	

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<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS), cont.</u></b>						
Grants for State Loan Repayments	93.165	-	-	250,000	250,000	
Research related to Deafness and Communication Disorders	93.173	-	-	287,909	287,909	
Nursing Workforce Diversity	93.178	-	-	356,231	356,231	
National Research Services Awards	93.186	-	-	92,884	92,884	
Allied Health Special Projects	93.191	-	-	14	14	
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	-	-	1,010,364	1,010,364	
Family Planning Services	93.217	-	-	4,373,817	4,373,817	
Research on Healthcare Costs, Quality and Outcomes	93.226	705,337	-	-	705,337	
Traumatic Brain Injury - State Demonstration Grant Program (TBI)	93.234	-	-	130,804	130,804	
Abstinence Education	93.235	-	-	545,390	545,390	
Pass-Through Johns Hopkins Applied Physics Laboratory	93.242	-	-	806	806	
Mental Health Research Grants	93.242	32,273	-	-	32,273	
Substance Abuse and Mental Health Services	93.243	-	-	3,143,378	3,143,378	
Advanced Education Nursing Grant Program	93.247	-	-	256,504	256,504	
Universal Newborn Hearing Screening	93.251	-	-	237,854	237,854	
Immunization Grants	93.268	-	-	4,563,024	4,563,024	
Drug Free Communities Support Program	93.276	-	-	83,970	83,970	
Drug Abuse Research Programs	93.279	544,743	-	-	544,743	
Mental Health National Research Service Awards for Research Training	93.282	-	-	65,046	65,046	
Centers For Disease Control & Prevention, Investigation & Tech Assistance	93.283	(2,148)	-	27,380,122	27,377,974	
Small Rural Hospital Improvement Grants	93.301	-	-	26,835	26,835	
General Clinical Research Centers	93.333	-	-	4,525	4,525	
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	-	11,622,252	-	11,622,252	
Advanced Education Nursing Traineeship	93.358	-	-	14,159	14,159	

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<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS), cont.</u></b>						
Nurse Education Practice and Retention Grants	93.359	-	-	271,971	271,971	
Nursing Students Loan	93.364	-	2,198,044	14,460	2,212,504	
Minority Research Training	93.375	348,620	-	(9,918)	338,702	
National Center for Research Resources	93.389	595,872	-	557,690	1,153,562	
Cancer Biology Research	93.396	-	-	108,087	108,087	
Cancer Research Manpower	93.398	-	-	47,116	47,116	
Food Safety and Security Monitoring Project	93.448	-	-	241,213	241,213	
Promoting Safe and Stable Families	93.556	-	-	4,672,644	4,672,644	
Temporary Assistance for Needy Families (TANF)	93.558	-	-	237,998,661	237,998,661	
Child Support Enforcement (CSE)	93.563	-	-	83,156,626	83,156,626	
Child Support Enforcement Research	93.564	-	-	88,360	88,360	
Refugee and Entrant Assistance - State Administrated Programs	93.566	-	-	6,656,760	6,656,760	
Low-Income Home Energy Assistance (LIHEAP)	93.568	-	-	43,464,757	43,464,757	
Community Services Block Grant (CSBG)	93.569	-	-	8,772,586	8,772,586	
Pass-Through NYSP	93.570	-	-	3,191	3,191	
Refugee and Entrant Assistance- Discretionary Grants	93.576	-	-	515,775	515,775	
Refugee and Entrant Assistance- Targeted Assistance	93.584	-	-	1,074,185	1,074,185	
State Court Improvement Program	93.586	-	-	362,947	362,947	
Research on Healthcare Costs, Quality and Outcomes	93.591	109,091	-	-	109,091	
<b>CCDF Cluster:</b>						
Child Care and Development Block Grant	93.575	-	-	23,795,638	23,795,638	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	-	-	57,224,438	57,224,438	
<b>Total CCDF Cluster</b>						81,020,076

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FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS), cont.</u></b>						
Grants to States for Access and Visitation Programs	93.597	-	-	430,028	430,028	
Education and Training Vouchers	93.599	-	-	1,076,381	1,076,381	
Head Start Program	93.600	-	-	1,718,168	1,718,168	
Basic Center Grant for Runaway and Homeless Youth	93.623	-	-	206,301	206,301	
Development Disabilities Basic Support and Advocacy Grants	93.630	-	-	991,542	991,542	
Children's Justice Grants to States	93.643	-	-	377,732	377,732	
Child Welfare Services State Grants	93.645	-	-	4,309,119	4,309,119	
Social Services Research and Demonstration	93.647	-	-	58,593	58,593	
Foster Care Title IV-E	93.658	-	-	124,453,217	124,453,217	
Adoption Assistance	93.659	-	-	21,457,354	21,457,354	
Social Services Block Grant (SSBG)	93.667	-	-	54,624,637	54,624,637	
Child Abuse and Neglect State Grants	93.669	-	-	603,456	603,456	
Family Violence Prevention and Services/Grants for Battered Women's Shelters: States & Indian Tribes	93.671	-	-	1,454,573	1,454,573	
Chafee Foster Care Independent Living	93.674	-	-	3,427,076	3,427,076	
State Children's Insurance Program (CHIP)	93.767	-	-	139,441,672	139,441,672	
Medicaid Infrastructure Grants To Support the Competitive Employment of People with disabilities	93.768	-	-	384,338	384,338	
<b>Medical Cluster:</b>						
State Medicaid Fraud Control Units	93.775	-	-	1,703,162	1,703,162	
State Survey and Certification of Health Care Providers and Suppliers	93.777	-	-	5,074,759	5,074,759	
Medical Assistance Program (Medicaid)	93.778	-	-	2,968,760,237	<u>2,968,760,237</u>	
<b>Total Medicaid Cluster</b>						2,975,538,158
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	-	-	1,059,182	1,059,182	
Reimbursement of State Costs for Provisions of Part D Drugs	93.794	-	-	(3,853)	(3,853)	
Cardiovascular Diseases Research	93.837	-	-	30,101	30,101	

"See notes to Schedule of Expenditures of Federal Awards"

**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS), cont.</u></b>						
Digestive Diseases and Nutrition Research	93.848	-	-	44,091	44,091	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	-	86,610	86,610	
Pass-Through University of Pittsburg	93.853	-	-	222	222	
Biomedical Research and Research Training	93.859	-	-	498,563	498,563	
Pass-Through American Psychological Association	93.859	-	-	569	569	
Biomedical Research and Research Training	93.859	273,895	-	83,694	357,589	
Child Health and Human Development Extramural Research	93.865	25,772	-	103,425	129,197	
Aging Research	93.866	-	-	377,569	377,569	
Vision Research	93.867	-	-	(504)	(504)	
Medical Library Assistance	93.879	-	-	7,315	7,315	
Minority Access to Research Careers	93.880	-	-	1,264,786	1,264,786	
National Bioterrorism Hospital Preparedness	93.889	-	-	2,099,190	2,099,190	
Rural Health Outreach – Rural Network Development Program	93.912	-	-	170,908	170,908	
Grants to States for Operation of Offices of Rural Health	93.913	-	-	156,409	156,409	
HIV Emergency Relief Project Grants	93.914	-	-	237,862	237,862	
HIV Care Formula Grants	93.917	-	-	39,663,173	39,663,173	
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	-	41,758	-	41,758	
Public Health Service Act- Aids	93.938	-	-	74,488	74,488	
HIV Prevention Activities: Health Department Based	93.940	-	-	11,020,476	11,020,476	
HIV Demonstration, Research, Public/Professional Education Projects	93.941	54,509	-	145,010	199,519	
Epidemiologic Research Studies of Acquired AIDS	93.943	-	-	193	193	
HIV/AIDS Surveillance	93.944	-	-	2,135,161	2,135,161	
Pregnancy Risk Assessment	93.946	-	-	64,890	64,890	
Block Grants for Community Mental Health Services	93.958	-	-	10,220,230	10,220,230	

"See notes to Schedule of Expenditures of Federal Awards"

**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS), cont.</u></b>						
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	-	33,064,414	33,064,414	
Special Minority Initiatives	93.960	-	-	40,417	40,417	
Preventive Health Services: Sexually Transmitted Diseases Control Grants	93.977	-	-	1,291,772	1,291,772	
Disaster Assistance	93.982	-	-	(1,636)	(1,636)	
Cooperative Agreements for State-Based Diabetes Control Programs & Evaluation of Surveillance Systems	93.988	-	-	306,968	306,968	
International Research & Research Training	93.989	-	-	(823)	(823)	
Preventive Health & Health Services Block Grant	93.991	-	-	1,878,750	1,878,750	
Maternal and Child Health Services Block Grant to the States	93.994	-	-	11,818,531	11,818,531	
National Institutes of Health	93.999	212,337,234	-	-	212,337,234	
Contract / Other National Institute of Health	93.IR 01LM009722	1,813	-	-	1,813	
Agency for Health Care Policy and Research	93.RD	570,791	-	-	570,791	
Agency for Health Care Research and Quality	93.RD	24,166	-	-	24,166	
Pass-through Brigham and Women's Hospital	93.RD	6,579	-	-	6,579	
Center for Disease Control and Prevention	93.RD	53,956,163	-	-	53,956,163	
Pass-Through Johns Hopkins University	93.RD	2,294	-	-	2,294	
Food and Drug Administration	93.RD	1,524,242	-	-	1,524,242	
Health Resources and Services Administration	93.RD	2,585,270	-	-	2,585,270	
Pass-Through American Registry of Pathology	93.RD	8,992	-	-	8,992	
Pass-Through Bio-Rad Laboratories	93.RD	117,396	-	-	117,396	
Pass-Through Boston University	93.RD	170,668	-	-	170,668	
Pass-Through Butler Hospital	93.RD	3,482	-	-	3,482	
Pass- Through Calibrant Biosystems, Inc	93.RD	(27,891)	-	-	(27,891)	
Pass-Through Children's National Medical Center	93.RD	30,276	-	-	30,276	
Pass-Through Childrens Research Institute	93.RD	(3,920)	-	-	(3,920)	

"See notes to Schedule of Expenditures of Federal Awards"

STATE OF MARYLAND  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2008

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS), cont.</b>						
Pass-Through Columbia University	93.RD	389,733	-	-	389,733	
Pass-Through Cornell University	93.RD	253,822	-	-	253,822	
Pass-Through Daedalus	93.RD	(13,500)	-	-	(13,500)	
Pass-Through Fisher Bioservices	93.RD	18,315	-	-	18,315	
Pass-Through Georgetown University Lombardi Comprehensive Cancer Center	93.RD	126,494	-	-	126,494	
Pass-Through Imperial College School of Medicine	93.RD	134,848	-	-	134,848	
Pass-Through Indiana University	93.RD	144,043	-	-	144,043	
Pass-Through InfoCulture, LLC	93.RD	151,851	-	-	151,851	
Pass-Through Johns Hopkins Applied Physics Laboratory	93.RD	45,930	-	-	45,930	
Pass-Through Johns Hopkins University	93.RD	718,194	-	-	718,194	
Pass-Through Kennedy Krieger Institute	93.RD	502,498	-	-	502,498	
Pass-Through Medical University of South Carolina	93.RD	25,016	-	-	25,016	
Pass-Through The Mind Research Network	93.RD	135,571	-	-	135,571	
Pass-Through Nanospectra Biosciences, Inc.	93.RD	713	-	-	713	
Pass-Through New York University	93.RD	476,243	-	-	476,243	
Pass-Through Pennsylvania State University	93.RD	(14,576)	-	-	(14,576)	
Pass-Through Seahorse Bioscience, Inc	93.RD	119,394	-	-	119,394	
Pass-Through Temple University	93.RD	68,837	-	-	68,837	
Pass-Through University of Alabama at Birmingham	93.RD	110,094	-	-	110,094	
Pass-Through University of Cincinnati	93.RD	32,759	-	-	32,759	
Pass-Through University of Illinois	93.RD	67,967	-	-	67,967	
Pass-Through University of Massachussets	93.RD	31,223	-	-	31,223	
Pass-Through University of Mississippi	93.RD	31,425	-	-	31,425	
Pass-Through University of Pennsylvania	93.RD	13,055	-	-	13,055	

"See notes to Schedule of Expenditures of Federal Awards"

STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS), cont.</u></b>						
Pass-Through University of Pittsburgh	93.RD	102,728	-	-	102,728	
Pass-Through University of Texas	93.RD	160,738	-	-	160,738	
Pass-Through University of Texas Southwestern Medical Center	93.RD	236,419	-	-	236,419	
Pass-Through University of Toronto	93.RD	15,986	-	-	15,986	
Pass-Through Urban Institute	93.RD	91	-	-	91	
Administration for Children and Families	93.RD	692,956	-	-	692,956	
Centers for Medicare and Medicaid Services	93.RD	106,613	-	-	106,613	
Office of Population Affairs	93.RD	616,702	-	-	616,702	
Pass-Through Morehouse University	93.RD	172,393	-	-	172,393	
Substance Abuse and Mental Health Services Administration	93.RD	281,044	-	-	281,044	
<b>Total HHS</b>					<b>4,289,020,691</b>	
<b><u>COMMISSION ON NATIONAL AND COMMUNITY SERVICE (CNCS)</u></b>						
State Commissions	94.003	-	-	281,201	281,201	
Learn and Serve America: School and Community Based Programs	94.004	-	-	273,626	273,626	
Learn and Serve America - Higher Education	94.005	-	-	15,798	15,798	
AmeriCorps	94.006	-	-	4,545,440	4,545,440	
Planning and Program Development Grants	94.007	-	-	157,884	157,884	
Training and Technical Assistance	94.009	-	-	31,347	31,347	
<b>Foster Grandparent/Senior Companion Cluster:</b>						
Foster Grandparents	94.011	-	-	280,485	280,485	
<b>Total Foster Grandparents Cluster</b>						280,485
Volunteers in Service to America (VISTA)	94.013	-	-	13,981	13,981	
Corporation for National and Community Service	94.RD	1,086,854	-	-	1,086,854	
<b>Total CNCS</b>					<b>6,686,616</b>	

"See notes to Schedule of Expenditures of Federal Awards"

**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>SOCIAL SECURITY ADMINISTRATION (SSA)</u></b>						
Contract / Other	96.000	-	-	25,996	25,996	
<b>Disability Insurance, SSI Cluster:</b>						
Social Security: Disability Insurance	96.001	-	-	7,005,385	7,005,385	
Supplemental Security Income (SSI)	96.006	-	-	3,093,409	<u>3,093,409</u>	
<b>Total Social Security Administration (SSI) Cluster</b>						10,098,794
Social Security Benefits Planning, Assistance, and Outreach Program (SSA Benefits Planning, Assistance, and Outreach Program)	96.008	-	-	1,653	1,653	
Developmental Disabilities Project	96.631	-	-	42,307	42,307	
Unallocated Federal Funds	96.000	-	-	157,483	<u>157,483</u>	
<b>Total SSA</b>						<u>10,326,233</u>
<b><u>HOMELAND SECURITY</u></b>						
Urban Areas Security Initiative	97.008	-	-	5,070,920	5,070,920	
Boating Safety Financial Assistance	97.012	-	-	4,333,766	4,333,766	
Pre-Disaster Mitigation (PDM) Competitive Grants	97.017	-	-	1,200,040	1,200,040	
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	-	-	101,675	101,675	
Flood Mitigation Assistance (FMA)	97.029	-	-	348,340	348,340	
Public Assistance Grants	97.036	-	-	4,427,910	4,427,910	
Hazard Mitigation Grant (HMGP)	97.039	-	-	2,416,280	2,416,280	
National Dam Safety Program	97.041	-	-	32,715	32,715	
Emergency Management Performance Grants	97.042	-	-	3,562,600	3,562,600	
State Fire Training Systems Grant	97.043	-	-	28,000	28,000	
Emergency Management - Cooperating Technical Partners	97.045	-	-	522,120	522,120	
Presidential Declared Disaster Assistance to Individuals and Households	97.050	-	-	84,024	84,024	
Citizen Corps	97.053	-	-	316,044	316,044	

"See notes to Schedule of Expenditures of Federal Awards"

**STATE OF MARYLAND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

FEDERAL DEPARTMENT/PROGRAM TITLE	CFDA NUMBER	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL ASSISTANCE	OTHER	TOTAL	CLUSTER TOTALS
<b><u>HOMELAND SECURITY, cont.</u></b>						
Port Security Grant Program for Critical National Seaports	97.056	-	-	1,566,025	1,566,025	
<b>Homeland Security Cluster:</b>						
Homeland Security Grant Program	97.067	-	-	7,698,114	<u>7,698,114</u>	
<b>Total Homeland Security Cluster</b>						7,698,114
Map Modernization Mgmt. Support Program ( MMMS)	97.070	-	-	186,305	186,305	
K-9 Grant	97.072	-	-	763,868	763,868	
Law Enforcement Terrorism Prevention Program	97.074	-	-	4,015,890	4,015,890	
Homeland Security - MDOT Grant	97.075	-	-	2,129,767	2,129,767	
Buffer Zone Protection Program	97.078	-	-	1,581,865	1,581,865	
Law Enforcement Officer Reimb.	97.090	-	-	306,191	306,191	
Repetitive Flood Claim	97.092	-	-	485,251	485,251	
Homeland Security Related Science Technology, Engineering and Mathematics (STEM) Career Development Program	97.104	99,824	-	31,532	131,356	
Department of Homeland Security	97.RD	7,641,082	-	-	<u>7,641,082</u>	
<b>Total Homeland Security</b>						<u>48,950,148</u>
<b><u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u></b>						
USAID Foreign Assistance for Programs Overseas						
Pass-Through Institute for International Education	98.001	-	-	20,490,840	20,490,840	
John Ogonowski Farmer-to-Farmer Program	98.009	-	-	99,123	99,123	
USAID Development Partnerships for University Cooperation & Development	98.012	-	-	5,653	<u>5,653</u>	
<b>Total Agency for International Development</b>						<u>20,595,616</u>
<b>Total</b>					<u>\$ 563,276,735</u>	<u>\$ 4,819,515,375</u>
					<u>\$ 770,416,426</u>	<u>\$ 7,204,332,733</u>
					<u>\$ 8,538,025,894</u>	<u>\$ 8,538,025,894</u>

"See notes to Schedule of Expenditures of Federal Awards"



**STATE OF MARYLAND**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2008**

**1. SINGLE AUDIT REPORTING ENTITY**

The State includes expenditures in its Schedule of Expenditures of Federal Awards for all Federal programs administered by the funds, agencies, boards and commissions, including component units, included in the State's reporting entity used for its basic financial statements, including the component unit higher education funds—the University System of Maryland, the Baltimore City Community College, Morgan State University, and St. Mary's College of Maryland. However, the Schedule of Expenditures of Federal Awards excludes the Maryland Water Quality Financing Administration of the Maryland Department of the Environment. A separate single audit is conducted for this entity, which is part of an enterprise fund of the State of Maryland.

**2. BASIS OF ACCOUNTING**

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

The noncash expenditures of \$15,966,000 reported under CFDA No. 10.550, Food Donation, represent the value of food commodity distributions calculated using the U.S. Department of Agriculture, Food and Nutrition Service Commodity Price List in effect as of July 1, 2007. These food commodities were received by the Maryland Department of Education from the U.S. Department of Agriculture for the year ended June 30, 2008.

The noncash expenditures of \$2,742,807 relating to the Emergency Food Assistance Program reported under CFDA No. 10.569, Emergency Food Assistance Program (Food Commodities), represent the value of food commodity distributions calculated using the U.S. Department of Agriculture, Food and Nutrition Service Commodity Price List in effect as of July 1, 2007. The food commodities were received by the Maryland Department of Human Resources from the U.S. Department of Agriculture for the year ended June 30, 2008.

Expenditures of \$408,445,870 reported under CFDA No. 10.551, Food Stamps, represent the fair market value of food stamps distributed for participants' food-stamp purchases during the fiscal year ended June 30, 2008.

Noncash expenditures of \$344,269 for CFDA No. 39.003, Donation of Federal Surplus Personal Property, represents the average fair market value percentage, per the General Services Administration (GSA) of 25% of the federal government original acquisition cost (OAC) of the federal property transferred to recipients by the State during fiscal year ended June 30, 2008.

**STATE OF MARYLAND**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2008**

**3. CATEGORIZATION OF EXPENDITURES**

The Schedule of Expenditures of Federal Awards reflects Federal expenditures for all individual grants that were active during the year. The categorization of expenditures by program included in the Schedule of Expenditures of Federal Awards is based on the Catalog of Federal Domestic Assistance (CFDA). Changes in the categorization of expenditures occur based on revisions to the CFDA, which are issued in June and December of each year. In accordance with the State's policy, the Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2008 reflects CFDA changes issued through December 2007.

**4. STATE NONMONETARY FEDERAL FINANCIAL ASSISTANCE**

The State distributes Federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. The total inventory balance of Federal surplus food on hand as of June 30, 2008 was \$0 for CFDA No. 10.550, Food Donation Program and \$24,319 for CFDA No. 10.569, Emergency Food Assistance Program (Food Commodities). The surplus food was valued using the U.S. Department of Agriculture, Food and Nutrition Service Commodity Price List in effect as of July 1, 2007.

When surplus property is transferred to recipients, it is valued at 25 percent of its OAC, which represents an estimated fair market value of the property transferred. The value of donated Federal surplus property on hand as of June 30, 2008 was \$0 for CFDA No. 39.003, Donation of Federal Surplus Personal Property Program.

**5. OTHER AUDIT FINDINGS**

Other audit reports exist that have also identified findings and questioned costs affecting the State's various Federal programs during the year ended June 30, 2008. Because those issues have been previously reported to the affected Federal agencies and based on guidance received from the State's cognizant agency, the issues identified in other audit reports have not been repeated in the single audit Findings and Questioned Costs for the year ended June 30, 2008.

The State believes that none of the matters questioned will have a significant impact on the Schedule of Expenditures of Federal Awards.

**STATE OF MARYLAND**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2008**

**6. UNEMPLOYMENT INSURANCE**

In accordance with the Department of Labor, Office of Inspector General instructions, the State recorded State Regular Unemployment Compensation (UC) benefits under CFDA No. 17.225 on the Schedule of Expenditures of Federal Awards. The individual State and Federal portions are as follows:

State Regular UC benefits	\$545,362,522
Federal UC benefits	14,449,582
Federal UC administrative costs	<u>52,038,887</u>
Total benefits	<u>\$611,850,991</u>

**7. FEDERAL MORTGAGE PLANS**

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

**8. LOAN PROGRAMS**

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

The College administers the Federal Perkins Loan Program – Federal Capital Contributions (CFDA No. 84.038). The College received no Federal funds under the Program for the fiscal year ended June 30, 2008. The outstanding loan balance of \$311,949 as of June 30, 2007, and the outstanding loan balance of \$268,891 for the fiscal year ended June 30, 2008 are not considered current year Federal expenditures. The Schedule of Expenditures of Federal Awards includes \$24,000 for loans issued during fiscal year ended June 30, 2008.

During the fiscal year ended June 30, 2008, the College processed the following amount of new loans under the Federal Family Education Loan Program, which includes the Stafford Loan and PLUS Loan. Since this program is administered by outside financial institutions, new loans made during the fiscal year ended June 30, 2008 relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The new loans made during the fiscal year ended June 30, 2008 are reported in the Schedule of Expenditures of Federal Awards.

**STATE OF MARYLAND**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2008**

**8. LOAN PROGRAMS (Continued)**

**St. Mary's College of Maryland** (Continued)

<b><u>CFDA Number</u></b>		<b><u>Loan Expenditures For Fiscal Year Ended June 30, 2008</u></b>
84.032	Stafford Loan Program	\$4,114,262
84.032	PLUS Loans	4,807,893
		<u>\$8,922,155</u>

**Baltimore City Community College**

The College administers the Federal Perkins Loan Program – Federal Capital Contributions (CFDA No. 84.038) and Nursing Student Loans (CFDA No. 93.364). The outstanding loan balances as of June 30, 2008 were \$200,468 and \$14,460, respectively. There were no new loans made in the fiscal year ended June 30, 2008. The outstanding balances are considered current-year Federal expenditures. These amounts are reported in the Schedule of Expenditures of Federal Awards.

**Morgan State University**

The University administers the Federal Perkins Loan Program – Federal Capital Contributions (CFDA No. 84.038). The outstanding loan balance of \$3,314,934 as of June 30, 2007, and the loan expenditures of \$247,052 for the fiscal year ended June 30, 2008, and the fiscal year 2008 administrative cost allowance of \$12,353 are considered current-year Federal expenditures. These amounts are reported in the Schedule of Expenditures of Federal Awards.

During the fiscal year ended June 30, 2008, the University processed \$28,348,844 of new loans under the Federal Direct Loan Program (CFDA No. 84.268). Since this program is administered by outside financial institutions, the new loans made in the fiscal year ended June 30, 2008 relating to this program are considered current-year Federal expenditures, whereas the outstanding loan balances are not. The new loans made in the fiscal year ended June 30, 2008 are reported in the Schedule of Expenditures of Federal Awards.

**STATE OF MARYLAND**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2008**

**8. LOAN PROGRAMS (Continued)**

**University System of Maryland**

During the year ended June 30, 2008, the System processed the following amount of new loans under the Direct Loan Program and Federal Family Education Loan Program, which includes the Stafford Loan, Plus Loan, School as Lender Program, and Graduate PLUS Loan Program. Since these loan programs are administered by outside financial institutions, new loans made in the fiscal year ended June 30, 2008 are reported in the Schedule of Expenditures of Federal Awards.

<b><u>CFDA Number</u></b>		<b><u>Loan Expenditures For Fiscal Year Ended June 30, 2008</u></b>
84.032	Stafford Loan Program	\$177,289,777
84.032	PLUS Loan	39,582,888
84.032	School as Lender Program	53,251,395
84.032	Graduate PLUS Loan	31,437,026
84.032	Alternative Loan	4,095,530
84.032	Subsidized Loan	1,129,569
84.268	Subsidized Ford Federal Direct Student Loan	105,420,272
84.268	Unsubsidized Ford Federal Direct Student Loan	107,224,645
84.268	William D Ford Federal Direct Parent Loan	<u>31,158,218</u>
	Total	<u>\$550,589,320</u>

The System also administers loans under the Economic Adjustment Assistance Program (CFDA No. 11.307). Under this program, the System uses revolving loan funds to enhance economic activity. The revolving loan fund assists business development and expansion. The outstanding loan balance as of June 30, 2007 of \$5,943,912, new loans made in the fiscal year ended June 30, 2008 of \$750,000 and administrative expenses of \$153,401 are considered current-year Federal expenditures and are reported in the Schedule of Expenditures of Federal Awards.

**STATE OF MARYLAND**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2008**

**8. LOAN PROGRAMS (Continued)**

**University System of Maryland (Continued)**

The System administers the following Federal Student Financial Assistance Programs:

<b><u>CFDA Number</u></b>	<b><u>Outstanding Balance as of June 30, 2007</u></b>	<b><u>Loan Expenditures For Fiscal Year Ended June 30, 2008</u></b>
84.038 Perkins Loan Programs	\$59,982,558	\$10,411,006
93.364 Federal Nursing Loan – Undergraduate	1,746,747	148,460
93.364 Federal Nursing Loan – Graduate	302,837	-0-
93.342 Health Professional Loan – Dental	4,876,585	478,200
93.342 Health Professional Loan – Medical	149,319	-0-
93.342 Health Professional Loan – Pharmacy	1,310,070	47,500
93.342 Primary Care	<u>4,470,143</u>	<u>290,435</u>
Total	<u>\$72,838,259</u>	<u>\$11,375,601</u>

The outstanding loan balances as of June 30, 2007 and loan expenditures for the fiscal year ended June 30, 2008 are considered current-year Federal expenditures. These amounts are reported on the Schedule of Expenditures of Federal Awards.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued Unqualified

Internal control over financial reporting:

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

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

**Federal Awards**

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs Unqualified

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



**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Identification of Major Programs**

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>	<b>Federal Expenditures</b>
10.557	Special Supplemental Nutrition Program (WIC)	\$ 84,854,171
14.195, 14.856	Section 8 Housing Assistance Program	152,422,730
14.239	Home Investment Partnership Program	7,093,693
16.575	Crime Victim Assistance	8,474,822
16.738	Edward Byrne Memorable Justice Assistance Grant Program	3,337,848
17.258, 17.259, 17.260	WIA Cluster	30,287,722
20.509	Formula Grants for Other Than Urbanized Areas	3,866,755
64.014	Veteran State Domicillary Care	1,429,801
64.015	Veteran State Nursing Home Care	5,227,638
84.318	Technology Literacy Challenge Fund Grant	3,856,979
84.365	English Language Acquisition Program	7,080,458
84.367	Improving Teacher Quality	38,039,262
84.369	Grant For State Assessments and Related Activities	9,045,298
93.568	Low Income Home Energy Assistance	43,464,757
93.558	Temporary Assistance for Needy Families	237,998,661
93.575, 93.596	CCDF Cluster	81,020,076
93.563	Child Support Enforcement	83,156,626
93.658	Foster Care	124,453,217
93.667	Social Services Block Grant	54,624,637
93.767	State Children Insurance Program	139,441,672
93.775, 93.777, 93.778	Medicaid Cluster	2,975,538,158

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Identification of Major Programs (continued)**

CFDA Number	Name of Federal Program or Cluster	Federal Expenditures
93.958	Community Mental Health Services	10,220,230
93.959	Blk Grt. For Prevention & Treatment of Substance Abuse	33,064,414
84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 93.342, 93.364, 93.925	Student Financial Assistance Cluster	770,416,426
Various	Research and Development Programs	563,276,735
None	Passenger Facility Charges	<u>30,263,204</u>
		<u>\$ 5,501,955,992</u>

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

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 25,614,078

Auditee qualifies as low-risk Auditee?  yes  no

**Section II**                      **Financial Statement Findings**  
None

**Section III**                    **Federal Awards Findings and Questioned Costs**  
2008-1 – 2008-13

**Section IV**                    **Summary Schedule of Prior Audit Findings**  
Fiscal Year 2007  
Fiscal Year 2006

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs**

**Finding 2008-1**

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

**State Children’s Insurance Program (SCHIP)**

**CFDA No. 93.767**

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

**Compliance deficiency over the eligibility determination process**

***Condition:***

The Local Health Departments (LHD) are responsible for determining eligibility under the Maryland Children’s Health Insurance Program on a uniform basis throughout the State for persons who apply for the expanded State Children’s Insurance Program under Title XXI of the Social Security Act.

We selected a total of 65 SCHIP claims to review files for eligibility determination. We tested 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Frederick County, Howard County, Kent County and Allegany County. The test was composed of 8 newly established recipients and five existing recipients. All claims were processed during the fiscal year ended June 30, 2008. We noted the following exceptions:

**Baltimore City**

Did not comply with the requirement to verify and maintain proof of citizenship in one of the eight new files tested.

**Frederick County**

Existing participant was denied medical assistance due to over scale income and was sent a letter regarding the premium program in 2002. Since that time, the participant has been using the premium program without any redeterminations of the eligibility status by either the premium department, DHR or DHMH. There was no file available for review and within the CARES system, there had only been information through January 16, 2002.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (continued)**

**Finding 2008- 1 (continued)**

***Criteria:***

OMB A-133 states that “States are required to include in their State plans a description of the standards used to determine eligibility of targeted low-income children.” Under the State plan, only targeted low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan) are furnished child health assistance under the state child health plan.

The following are standards for eligibility determinations per OMB A-133 and Maryland’s State Plan:

1. Children under age 19
2. Countable income is at or below 200% of the federal poverty level (FPL)
3. Pregnant women of any age whose countable income is at or below 250% FPL
4. Current resident of the State of Maryland
5. Applicants are required to provide a Social Security Number or apply for a Social Security Number
6. A U.S. Citizen
7. Qualified aliens, as defined at 8 USC 1641, who entered the US on or after August 22, 1996, are not eligible for SCHIP for a period of five years, beginning on the date the alien became a qualified alien, unless the alien is exempt from this five year bar under the terms of 8USC 1613.
8. Eligibility must be redetermined at least every 12 months.

***Cause:***

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

***Effect:***

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

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008- 1 (continued)**

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that DHMH's Local Health Departments comply with established Federal and State regulations for determining eligibility to include obtaining and maintaining the required documentation and performing verifications to support eligibility decisions.

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

DHMH agrees with the finding and recommendation for Baltimore City and has once again reinforced the citizenship and identity requirements to the Baltimore City Health Department (Baltimore Health Care Access). Baltimore Health Care Access senior management staff has assured us that they have re-trained staff regarding these requirements and are conducting internal audits as a follow-up measure.

The Department concurs with the finding for the Frederick County case as referenced above. Upon research, it was discovered the case was not sent on the daily auxiliary file from CARES as eligible for redetermination of current eligibility status. However, as of December 17, 2008, the client was denied medical assistance due to over scale income and was referred to the MCHP Premium Program. To date, the client has been deemed eligible for MCHP Premium. Additional analysis is being completed to determine the cause for the transmission error with the auxiliary file. In addition, MCHP Premium staff is reviewing the redetermination process for overall efficiency and process improvement. In the interim, reports are being generated and worked monthly by the MCHP Premium Unit to ensure timely results of application processing and redetermination status.

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-2**

**Department:** Department of Health and Mental Hygiene (DHMH)  
**Program:** Medical Assistance Program (Medicaid Cluster)  
**CFDA Number:** 93.778

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

**Internal Control deficiency over the Medicaid Eligibility Quality Control System (MEQC).**

***Condition:***

The MEQC failed to have evidence of the supervisory review over the pilot project Title XIX Low Income Children and Pregnant Women.

***Criteria:***

OMB Circular A-133, Part 4- Department of Health and Human Services-Compliance Supplement, Section III E.1.d.(1) indicates, “States are required to operate a MEQC system in accordance with requirements established by CMS. According to 42CFR431.812, “The agency must review all active cases selected from the State agency’s lists of cases authorized eligible for services during all or part of the month under review, and if appropriate, whether the proper amount of recipient liability was computed.

In order to verify eligibility information, the agency must:

- Examine and analyze each case record for all cases under review to establish what information is available for use in determining eligibility in the review month;
- Conduct field investigations
- Verify all appropriate elements of eligibility for active cases
- Determine the basis on which eligibility was established and the eligibility status of the active case and each case member;
- Collect copies of State paid claims
- Associate dollar values with eligibility status for each active case under review
- Complete the payment, case, and review information for all individuals

As an internal control process implemented in the MEQC department, a supervisor reviews all of the above as prepared by the case worker. The review is evidenced by the supervisors

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-2 (continued)**

signature and date of review signifying the case worker was appropriate with the determination of the eligibility status.

***Cause:***

The MEQC department could not show evidence of a supervisory review for the Low Income Children and Pregnant Women pilot program.

***Effect:***

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

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that DHMH follow the criteria outlined in 42CFR431.812 by reviewing the selected active case files and providing the supervisory review to make sure the determinations were appropriate.

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

DHMH agrees with the finding and recommendation. The Office of Eligibility Services (OES) confirmed that all supervisory reviews for the MEQC pilot program were performed appropriately, but that evidence of some reviews was not retained. OES senior management staff has directed the MEQC program to retain all records for the Federally-mandated retention period.

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.



**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-3**

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

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

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

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

***Condition:***

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

***Criteria:***

OMB Circular A-133, General Requirements, Part 3, subpart M, states in pertinent part that during the award a pass-through entity is responsible for “monitoring the sub-recipient’s use of Federal awards through...site visits, regular contact...or other means to provide reasonable assurance that the sub recipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.” In addition, when there are findings as a result of compliance review, ADAA’s letter requires the sub-recipient to “make the necessary corrections in your program’s procedures and submit a copy of your plan of correction...within thirty (30) days of the date of this letter.”

***Cause:***

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

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (continued)**

**Finding 2008- 3 (continued)**

***Effect:***

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

***Questioned Costs:***

Unknown

***Recommendation:***

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

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

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

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-4**

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

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

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

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

***Condition:***

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

***Criteria:***

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

***Cause:***

DHMH failed to document the independence of its peer reviewers in accordance with OMB A-133.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008- 4 (continued)**

***Effect:***

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

***Questioned Costs:***

Unknown

***Recommendation:***

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

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

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

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

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

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-5**

**Morgan State University**

**Student Financial Aid Cluster**

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

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

**Morgan State University did not meet the earmarking requirement for federal work study to provide a 7% earmark for community service.**

***Condition:***

**Morgan State University did not meet the mandated earmark requirement of the federal guidelines.**

***Criteria:***

An institution must use at least seven percent of the sum of its initial and supplemental FWS allocations for an award year to compensate students employed in community service activities unless waived by the Secretary of Education. In meeting the community service requirement, an institution must include at least one:

- ( i ) Reading tutoring project that employs one or more FWS students as reading tutors for children who are preschool age or are in elementary school; or
- ( ii ) Family literacy project that employs one or more FWS students in family literacy activities.

The Secretary may waive the requirements if the Secretary determines that an institution has demonstrated that enforcing the requirements will/would cause a hardship for students at the institution.

***Cause:***

The University was unable to maintain the level of participation in community services necessary to meet the mandated earmark of at least 7% of its FWS allocation for the award year ended June 30, 2008 as a result of a reduction in its Student Financial Aid staff and coupled with a loss in a community service project.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-5 (continued)**

***Effect:***

As a result of the failure to meet the mandated 7% federal earmark, the University's community program for tutoring preschool children and family literacy activities was not accomplished as planned.

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that Morgan implement stronger oversight to ensure that the mandated earmark is met to provide tutoring and family literacy activities. We noted, however, the request for a waiver was submitted to Department of Education (ED), however, no response had been received from ED at conclusion of audit fieldwork.

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

The University was aware of this situation and had taken appropriate corrective action before the audit started. As noted by the auditors, due to a staffing shortage and the loss of the program to which the community services were directed, the University did not meet the 7% requirement for fiscal year 2008. However, as provided for in the regulations, the University requested a waiver from this requirement and filed this with its Fiscal Operations Report and Application to Participate (FISAP) report in September 2008 and, as of March 4, 2009 it has not received a response to its request for a waiver. The University has already met the requirement for the current 2009 fiscal year, and does not expect the situation to be repeated in the future.

***Auditors' Conclusion:***

Based on the above, the finding remains as stated, pending the receipt of ED's acceptance of the waiver request.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-6**

**Baltimore City Community College**

**Student Financial Assistance Cluster**

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

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

**Baltimore City Community College was not in compliance with Federal requirements over the return of Title IV funds.**

***Condition:***

During testing of return of Title IV funds, we noted 6 occurrences where the College did not return Title IV funds within the timeframe established by guidelines in the OMB Circular A-133, some being returned up to 2 months later than required.

***Criteria:***

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

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-6 (continued)**

***Cause:***

BCCC lacked effective internal controls to ensure that the return of Title IV funds are being disbursed properly and on a timely basis.

***Effect:***

Without proper monitoring of controls over the return of Title IV funds, BCCC failed to return Federal funds in the required timeframe. Eventually BCCC would end up owing interest to the Federal government.

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that the College implement stronger controls over the return of the Title IV funds process. Additional supervisory and/or management level review and approval may strengthen controls to ensure that funds are returned in a timely manner.

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

BCCC agrees with the recommendation. The BCCC Financial Aid Office has increased the frequency of its supervisory review and approval process for the return of Title IV funds. In order to facilitate compliance with the return of Title IV timeframe, members of the Financial Aid Staff and Student Accounting will meet one month prior to the start of registration to set the appropriate calendar checkpoints to track and monitor the deadlines needed for processing the return of Title IV funds accurately and within regulatory timeframes.

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.



**STATE OF MARYLAND**  
**Schedule of Current Year Audit Findings**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-7**

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

CFDA 84.318 Education Technology State Grants  
CFDA 84.365 English Language Acquisition Grants  
CFDA 84.367 Improving Teacher Quality State Grants  
CFDA 84.369 State Assessments and Related Act  
CFDA 93.575 Child Care and Development Block Grant  
CFDA 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

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

**MSDE has internal control weaknesses over reconciliation of the Schedule of Active Federal Grants (Schedule G) to supporting documentation**

***Condition:***

As part of the Schedule G testing, we reviewed subsequent collections on receivables to determine whether receivables were accurate, properly recorded and collectible. We noted that MSDE reported receivables/liabilities on grants that had expired per their respective periods of availability.

***Criteria:***

Objectives of internal control pertaining to the compliance requirements for federal programs noted in the Office of Management and Budget (OMB) Circular A-133.105(1)(i) and (2)(i) are that:

“Transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and Federal reports...[and]...transactions are executed in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program.”

**STATE OF MARYLAND**  
**Schedule of Current Year Audit Findings**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-7 (continued)**

***Criteria: (continued)***

Furthermore OMB Circular A-133.300 (b) states “the auditee shall maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

***Cause:***

The accounts receivable balances for the Federal Programs listed above had been, in certain instances, understated and overstated as a result of a lack of performance of fiscal year end reconciliations, related to documentation of supervisory review for the required accounting adjustments per the grants respective periods of availability.

***Effect:***

The combined overstatement of receivables for the grants noted above that had exceeded their periods of availability was \$7,706,115.

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that MSDE monitor periods of availability by determining which grants have expired on a monthly basis. MSDE’s monitoring should include developing accounting policies and procedures to ensure that not only are draws not being made on expired grants, but also that receivable balances do not remain in R\*Stars for expired grants. MSDE must also determine the cause for either not reporting expenditures timely, or not tracking receipt of federal payments for specified grants in order to validate the receivable balances.

We also recommend that MSDE adjust for receivables that are uncollectible or reclassify expenditures as State expenditures. MSDE should consider developing accounting policies and procedures to account for and remit any overdrawn funds, or apply against future expenditures, on all federal grants in a timely manner.

**STATE OF MARYLAND**  
**Schedule of Current Year Audit Findings**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-7 (continued)**

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

MSDE concurs with the Finding and Recommendation.

The Division of Business Services (DBS) has developed the following corrective action plan:

1. Journal entries are being developed to correct the FY08 overstated and understated accounts receivable balances cited in the audit finding. These entries will be booked by the April, 2009 close and will clear the aforementioned \$7,706,115. In addition, they will not result in the reclassification of expenditures to State expenditures or adjusting receivables to an uncollectible status.
2. All FY08 Schedule G liabilities will be identified, analyzed and cleared by the April, 2009 close. Furthermore, balances for all cited closed grants will be cleared to zero by the April, 2009 close.
3. The following actions will be taken on an on-going basis to ensure that the FY09 Schedule G reflects only current, accurate and collectible grant balances:
  - a. A beginning FY09 Schedule G will be established.
  - b. Using the beginning FY09 Schedule G grant balances will be monitored on a continual basis thereby ensuring that only current and active grants are included therein.
  - c. DBS will work closely with the Financial and Reporting Branch to ensure that expenditures are booked in the proper time period.
  - d. DBS will monitor the movement of expenses to ensure that draw downs have been appropriately and accurately made within the period of availability.
  - e. DBS will investigate and resolve on a timely basis any balance determined to be a liability or any balance on a grant that has been closed.

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**  
**Schedule of Current Year Audit Findings**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-8**

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

**CFDA No. 64.014 Veteran State Domiciliary Care**

**CFDA No. 64.015 Veteran State Nursing Care**

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

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

***Condition:***

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

***Criteria:***

The auditee's responsibilities for federal programs are noted in the Office of Management and Budget (OMB) Circular A-133 Subpart C §.300(a) and state that the auditee must:

“Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.”

The objectives of internal control for federal programs are noted in the Office of Management and Budget (OMB) Circular A-133 Subpart A § .105(1)(i) and stipulate that:

“Transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and Federal reports”

Furthermore OMB Circular A-133. Subpart C §.300 (b) states “the auditee shall maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

**STATE OF MARYLAND**  
**Schedule of Current Year Audit Findings**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-8 (continued)**

***Cause:***

The cash receipts balances for the Federal program listed above had been understated as a result of a lack of performance of reconciliations and related documented supervisory review.

***Effect:***

The understatement of cash receipts on the Schedule G and the R\*Stars reports for the Federal program was \$596,073.

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that the Schedule G be prepared from R\*Stars reports and record of any necessary adjustments or reconciliations be maintained with appropriate supporting documentation.

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

We believe the receipt of \$596,073.42 were federal funds and deposited in the Veterans Affairs account in error. The money may belong to another state agency. We will research this matter and obtain a resolution. In the future, Schedule G will be prepared from R\*Stars reports and the record of any necessary adjustments or reconciliations will be maintained with appropriate supporting documentation.

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-9**

**Department of Labor, Licensing and Regulation (DLLR)**

**CFDA No. 17.258 – WIA Adult Program**

**CFDA No. 17.259 – WIA Youth Activities**

**CFDA No. 17.260 – WIA Dislocated Workers**

**U. S. Department of Labor (DOL)**

**Internal control weakness related to client file maintenance.**

***Condition:***

DLLR's Division of Workforce Development, WIA Cluster, was not in compliance with Federal OMB Circular A-133 requiring on-site monitoring review of each local area's compliance with Department of Labor (DOL) uniform administrative requirements, including the appropriate administrative requirements and cost principles for sub-recipients and other entities receiving Workforce Investment Act (WIA) funds.

The test of a Local Workforce Investment Board's (LWIB) files disclosed internal control weaknesses in case file documentation. Many of the files examined did not contain case notes which is a required procedure per review of DLLR procedures. The case notes not found in the files were maintained on the Maryland Workforce Exchange System. Also several files did not have the required Individual Employment Plan (IEP).

***Criteria:***

OMB Circular A-133 (Compliance Supplement) states in part:

“Each State must conduct an annual on-site monitoring review of each local area's compliance with Department of Labor (DOL) uniform administrative requirements, including the appropriate administrative requirements and cost principles for subrecipients and other entities receiving Workforce Investment Act (WIA) funds.”

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008-9 (continued)**

***Cause:***

Out of 25 files selected for testing for a LWIB, we found 21 files had case management notes maintained on their system and not in the individual's file and 4 of the files contained no Individual Employment Plan.

***Effect:***

DLLR was unable to ensure that the LWIB's are in compliance with DOL administrative requirements for sub-recipients receiving WIA funds and OMB Circular A-133 compliance requirements.

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend DLLR provide technical assistance to all LWIB's regarding DOL administrative requirements, proper file maintenance and documentation. We also recommend that DLLR's program monitors place added emphasis on file maintenance when performing sub-recipient monitoring.

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

DLLR concurs with your recommendations and will continue to provide technical assistance to all LWIB's regarding DOL administrative requirements, proper file maintenance and documentation. DLLR's program monitors will place added emphasis on file maintenance. Our policies will be discussed and reviewed with the LWIB during the monitoring entrance conference and documented in our monitoring reports.

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III - Federal Award Findings and Questioned Costs**

**Finding 2008 –10**

**University System of Maryland – Coppin State University**

**Student Financial Aid Cluster**

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

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

**Inadequate controls over Pell Payment Data (disbursement records) being submitted to the Department of Education in the required time frame.**

***Condition:***

Institutions are required to submit origination and disbursement records no more than 30 days before or after a disbursement is to be paid. We noted for 2 of the 25 student records selected for testing, the disbursement record was reported to the Department of Education (ED) more than 30 days prior to the actual disbursement being made.

***Criteria:***

Per A133 requirements, an institution must submit Pell origination and disbursement records to the DOE through the Common Origination and Disbursement (COD) system. Origination records can be sent well in advance of any disbursements, as early as the school chooses to submit them for any student the school reasonably believes will be eligible for a payment. An institution follows up with a disbursement record for that student no more than 30 days before a disbursement is to be paid. The disbursement record reports the actual disbursement date and the amount of the disbursement. Institutions must report student payment data within 30 calendar days after the school makes a payment or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data

***Cause:***

Without proper record keeping assuring effective internal controls over the preparation and submission of disbursement records for the Pell Grant, there is no assurance that the ED is receiving complete and accurate data within the specified time period from the institution.



**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III - Federal Award Findings and Questioned Costs, (Continued)**

**Finding 2008 –10 (continued)**

***Effect:***

Without proper controls in place, there is no assurance that accurate disbursement data is being reported to the ED.

***Questioned Costs:***

None.

***Recommendation:***

We recommend that Coppin State University establish and implement internal controls over reporting Pell payment data to the COD within the established time frames to ensure compliance with Federal regulations.

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

Coppin State University is researching the cause of this error. In the meantime, the University has identified the proper reports to support a manual review of the data that flows between COD and Coppin State University. The University has implemented a manual review control using the system reports to ensure timely reporting of Pell payment data to the COD.

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III - Federal Award Findings and Questioned Costs**

**Finding 2008 – 11**

**University System of Maryland – Coppin State University**

**Student Financial Aid Cluster**

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

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

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

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

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

**Improper calculation of Title IV refunds.**

***Condition:***

During our testing of the Return of Title IV funds, we reviewed the refund calculations for 25 students. For 2 out of the 25 students, the calculation of the unearned amount of Title IV assistance was not in accordance with federal regulations. We also noted that there was no management approval noting review of the calculated unearned amount or noting the return of these unearned funds to the Department of Education (ED).

***Criteria:***

34 CFR Section 668.22 states, in part, that an institution is required to have a fair and equitable refund policy. It also specifies the maximum time frame for the institution to return Student Assistance (SA) portion of a refund to program accounts. For the PELL, FDLP, FESOG, and FPL programs, an institution must return the Federal portion within 30 calendar days of the date the student officially withdrawals or the date the school discovers that the student has unofficially withdrawn.

Per 34 CFR Section 668.22, when a recipient of title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. The unearned portion of Title IV funds must be returned to ED within 30 calendar days of the date the student officially withdraws.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III - Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008 – 11 (continued)**

***Cause:***

Coppin State made errors in calculating the amount due to ED.

***Effect:***

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

***Questioned Costs:***

Indeterminable

***Recommendation:***

We recommend that Coppin State University strengthen internal controls over the calculation of Title IV funds. These controls should consist of proper documentation, supervision, and calculation of the refunds within the required time frames.

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

Coppin State University will strengthen internal controls over the calculation of the return of funds to the ED by retraining the employees that are involved in the process. The Director of Financial Aid will perform spot checks to verify and insure the accuracy of the calculation. In fiscal year 2008, Coppin State University disbursed \$19,697,220 in Title IV funding to their students. The unearned amount for the students in the finding amounted to \$1,267.

***Auditors' Conclusion:***

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008 - 12**

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

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

***Condition:***

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

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

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

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

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008- 12 (continued)**

***Condition (continued):***

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

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

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

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

***Criteria:***

Per the Child Support Manual Section B.102, the Child Support Enforcement Agency must open a case in no more than 20 days of the receipt of a referral or the filing of an application for services.

45 CFR 303.7 (b) (2) states, "... within 20 calendar days of determining that the noncustodial parent is in another State, and, if appropriate, receipt of any necessary information needed to process the case, refer any interstate IV-D case to the responding State's interstate central registry for action, including requests for location, document verification, administrative reviews in Federal income tax refund offset cases, income withholding, and State income tax refund offset in IV-D cases."

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008- 12 (continued)**

*Criteria (continued):*

45 CFR 303.7 (b) (4) states that the initiating state must “provide the IV-D agency or central registry in the responding State with any requested additional information or notify the responding State when the information will be provided within 30 calendar days of receipt of the request for information by submitting an updated form, or a computer-generated replica in the same format and containing the same information, and any necessary additional documentation.”

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

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

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

45 CFR 303.6 (c) (2) states that the Child Support Enforcement agency must take “...any appropriate enforcement action (except income withholding and Federal and State income tax refund offset) unless service of process is necessary, within no more than 30 calendar days of identifying a delinquency or other support-related non-compliance with the order or the location of the noncustodial parent, whichever occurs later. If service of process is necessary prior to taking an enforcement action, service must be completed (or unsuccessful attempts to serve process must be documented in accordance with the State's guidelines defining diligent efforts under Sec. 303.3(c)), and enforcement action taken if process is served, within no later than 60 calendar days of identifying a delinquency or other support-related non-compliance with the order, or the location of the noncustodial parent, whichever occurs later...”

45 CFR 303.3(b) (3) states that the agency responsible for child support enforcement (IV-D agency) attempt to establish paternity and a support obligation for children born out of wedlock. The IV-D agency must establish a support obligation where paternity is not an issue by providing services within specified time frames to ensure that these services are carried out.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008- 12 (continued)**

***Criteria (continued):***

45 CFR 303.31 states that the IV-D agency attempt to secure medical support information, and establish and enforce medical support obligations for all individuals eligible for DCSE services. The IV-D agency must determine whether the custodial parent and child have satisfactory health insurance other than Medicaid. If not, the agency must petition the court to include medical support in the form of health insurance coverage in all new or modified orders for support. In cases where medical support is ordered, the agency is required to verify that it was obtained or enforce the court order if it was not obtained. Finally, the agency shall inform the Medicaid agency when a new or modified order for child support includes medical support and shall provide information to the custodial parent concerning the health insurance policy secured under any order.

***Cause:***

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

***Effect:***

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

***Questioned Costs:***

Unknown

***Recommendation:***

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

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008- 12 (continued)**

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

The Child Support Enforcement Administration (CSEA) agrees, however, only one (1) out of the 13 thirteen initiating cases reviewed or 7.69% was out of compliance for failure to forward the cases to the responding state's Central Registry Department within the (20) twenty days after determining that the non-custodial parent was located in another state and after receipt of all information necessary to process the case. The variance in the number of cases discrepancies is attributed to the fact that this Agency conducted an internal review of all Interstate Initiating and Responding Cases cited in this audit, and determined that all but one (1) of the Cases identified in Finding 2008-13, were in compliance as provided in 45CFR 303.7(b) (2), except Maryland Case Number 50089286.

CSEA also agrees that eight (8) out of twenty-five (25) delinquent cases were out of compliance for failure to take enforcement action and documenting the cases within thirty (30) days of identifying a delinquency. The eight (8) cases in error were limited to a particular jurisdiction. CSEA will strengthen its process with this jurisdiction to ensure that enforcement action is taken on the eight (8) cases sited in this audit report, and also ensure that enforcement action is taken on delinquent cases.

However, CSEA does not concur with the finding that the Administration does not have adequate internal controls in place for Interstate and Intra- state cases. CSEA also disagrees with the auditor's statement on "Cause" which states that, the inadequate internal controls over the various child support cases caused Department of Human Resources to be out of compliance with several of "The Federal guidelines."

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

(1) Federal Self Assessment Review Tool

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



**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008- 12 (continued)**

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

Maryland's CSEA passed the Self Assessment Review in 2007 and 2008.

(2) Maryland Responding Case Tracking System (CITS)

The Maryland Responding Case Tracking System (CITS) is an interstate tracking system, which assists in the management of responding case request/s processed by the Interstate Central Registry. CITS provides the following information and services: (1) The date the case request was received by Maryland CSEA, (2) scans the documents associated with the case, and (3) provides acknowledgment to the other state and date stamps the time that the request was sent to the local child support office. The support given to the auditors depicts the responding cases identified in this report and highlights the fact that the cases were in compliance.

(3) Quality Control Review

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

(4) Training Academy

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

*Auditors' Conclusion:*

Based on the above, the finding remains as stated.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008 – 13**

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

**Inadequate Internal controls over sub-recipient monitoring.**

***Condition:***

DHR enters into agreements, called Cooperative Reimbursement Agreements, with local government departments, such as sheriff's departments, State's Attorney's Offices and County Masters for these entities to conduct such tasks as to issue warrants and summonses related to establishing or enforcing Child Support; conducting hearings to establish paternity, child support or medical support obligations, and conducting hearings to enforce or modify support orders.

The Contract Services Division is responsible for monitoring the local government entities' performance on the contracts. The Contract Services Division performs its monitoring duties by issuing four monitoring reports for the year for each entity.

During our testing, we noted:

1. Monitoring reports were not issued on a quarterly basis for (1) of the (7), or 14.29% of cooperative monitoring agreements reviewed.
2. No corrective action plans were taken by DHR to correct deficiencies for (1) of the (7), or 14.29% of cooperative monitoring agreements reviewed.
3. For (1) of the (7), or 14.29% of cooperative reimbursement agreements reviewed, quarterly monitoring reports were not reviewed by a supervisor as evidenced by a supervisor's initials.

***Criteria:***

OMB-Circular A-133 Subpart C Section .300 (b) states, "The auditee shall maintain internal controls over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008 – 13 (continued)**

***Cause:***

Department of Human Resources personnel did not provide the necessary reports from the sub-recipient to ensure compliance.

***Effect:***

Since documentation and verifications were not performed in accordance with program requirements, DHR does not have adequate assurance that sub-recipient monitoring is in compliance with the Child Support Program.

***Questioned Costs:***

Unknown

***Recommendation:***

We recommend that the Department of Human Resources strengthen its internal control procedures to adequately monitor sub-recipient compliance with the requirements of OMB Circular A-133 subpart D.

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

**Finding # 1:**

Monitoring reports were not issued on a quarterly basis for (1) of the (7), or 14.29% of cooperative monitoring agreements reviewed.

CSEA agrees with the finding. However, the Administration did provide the second and fourth quarter monitoring reports for the Cooperative Agreement sited in the finding. CSEA has initiated a corrective action plan to put procedures in place to help correct this finding. The proposed completion date for this corrective action plan is September 30, 2009.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2008 – 13 (continued)**

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

**Finding #2:**

No corrective action plans were taken by DHR to correct deficiencies for (1) of the (7), or 14.29% of cooperative monitoring agreements reviewed.

CSEA disagrees with the overall finding. CSEA agrees that (1) of (7) Cooperative Reimbursement Agreements (CRA) was deficient. However, this jurisdiction has exceeded three out of four of its goals and is well within a compliance rate of 87% for the combined total of all of goals. Therefore, Agency does not agree that there have been no corrective actions plans taken to correct the deficiency.

**Finding #3:**

For (1) of the (7), or 14.29% of cooperative reimbursement agreements reviewed, quarterly monitoring reports were not reviewed by a supervisor as evidenced by a supervisor's initials.

CSEA agrees with the finding. CSEA has initiated a corrective action plan to put procedures in place to help correct this finding. The proposed completion date for this corrective action plan is September 30, 2009.

*Auditors' Conclusion:*

Based on the above, the finding remains as stated.

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

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**

**Finding - GAS 2007-1**

**Morgan State University**

**Morgan State University has ineffective oversight of the University's financial reporting and internal controls**

***Condition:***

During the audit we observed several significant weaknesses in internal controls; namely.

- a. Management was unable to locate student files when requested for testing of certain Maryland Higher Education Commission report criteria. This may cause concern over funding amounts provided to the University.
- b. Management was unable to provide financial data that reconciled with schedules provided for the audit. This condition required numerous adjusting entries to correct financial data, subsequent to report submission to the State.
- c. Management did not timely locate financial statement errors until the audit was underway, indicating inadequate oversight by management.
- d. Management did not discover errors in grants receivable detail reports. Significant audit procedures were required to identify corrections.

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

**(January, 2009 Update)**

During the audit of fiscal year 2007, auditors observed significant weaknesses in the University's internal controls to include the inability to locate student files in a timely manner. Also, financial data did not reconcile to supporting schedules and financial statements contained errors. Accordingly, the auditors proposed several recommendations. Based upon those recommendations, the University did engage appropriate actions to remedy those weaknesses and enhance the audit process. These corrective actions included a more comprehensive filing system that was implemented in the Registrars Office. Additional effort was employed to ensure supporting schedules were reconciled to the financial Statements. A more practical approach was adopted to ensure timely communications between staff and the auditors. These actions reduce the possibility that the University will be cited for Statement of Auditing Standards (SAS 112) for fiscal year 2008 or future audits.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**

**Finding - GAS 2007-1**

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

The auditors made five specific recommendations to which our responses are as follows:

Auditors' Recommendation (a):

Periodic reviews take place for balance sheet accounts to determine that all transactions are accurate and complete.

Response:

The Office of the University Controller performs monthly reconciliations of balance sheet accounts and makes appropriate corrections and adjustments.

Auditors' Recommendation (b):

The University place priority on the audit by designating authority and control to the Comptroller and/or Vice President of Finance who will coordinate and instruct other department heads on audit requirements and resolution of related issues.

Response:

The Assistant Vice President for Finance has been assigned this function. In performing this responsibility, the Assistant Vice President would work closely with the University's Director of Internal Audits to ensure compliance.

Auditors' Recommendation (c):

The University should analyze the balance sheet accounts monthly and continue to identify and timely resolve system problems and issues in order to achieve a truly automated and reliable accounting system.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding - GAS 2007-1 (continued)**

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

Response:

The Office of the University Controller performs monthly reconciliations of balance sheet accounts and makes appropriate corrections and adjustments. In addition, departments involved in inputting balance sheet data into the University system, meet twice a month to evaluate and resolve system problems, in conjunction with the University's Information Technology Department and Office of Internal Audits.

Auditors' Recommendation (d):

The University should review file maintenance procedures and implement additional procedures to safeguard student files and records to prevent future noncompliance concerns.

Response:

A more comprehensive filing system has been implemented in the Office of the Registrar and the staff is working closely with Director of Internal Audits to ensure systematic implementation and utilization of the improved procedures.

Auditors' Recommendation (e):

The University should consider engaging dedicated staff whose responsibility would include timely identification of errors, preparing monthly reconciliations, and documenting the cause of reconciling entries to continue to strengthen and improve controls over financial reporting.

Response:

The University has engaged appropriately qualified staff and assigned them specific responsibilities to ensure that these functions are performed accurately and in a timely manner.



**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding - GAS 2007-1 (continued)**

**Federal Resolution:**

October 6, 2008

The Department of Health and Human Services believe that management responses included in the audit report, and updated management response dated September 12, 2008, satisfy the recommendations in the audit report.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007-1**

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

**Medical Assistance Program-Medicaid Cluster**

**CFDA No. 93.778**

**State Children's Insurance Program (SCHIP)**

**CFDA No. 93.767**

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

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

***Condition:***

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

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

**(September, 2008 Update)**

We agree that the Department did not inform the Office of the Eligibility Services (OES) that Howard County was not in compliance with the Memorandum, dated January 25, 2006.

On November 28, 2007, a letter was sent to all local health departments reinstating the Supervisor Review System report deadlines. It also outlined corrective action plans if a local health department failed to meet the deadline or fails to submit the report. In addition, Office of Inspector General/Program Integrity (OIG/PI) will ensure that OES is notified when a Local Health Department is in-compliance with the Memorandum.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007-1 (continued)**

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

The corrective action measures have been implemented and are working effectively. The local health departments have been very responsive to these enforced requirements.

*Auditors' Comment:*

There was no repeat finding of this nature in fiscal year 2008.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007- 2**

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

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

**US Department of Health and Human Services**

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

***Condition:***

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

We selected a total of 65 Medical Assistance claim files to review for eligibility determination. These 65 files were comprised of 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Charles County, Howard County, Cecil County, and Frederick County. The test was composed of a selection of 8 newly established recipients and 5 existing recipients. All claims were processed during the fiscal year ended June 30, 2007. We noted the following exceptions:

**Baltimore City**

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

**Howard County**

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

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007- 2 (continued)**

*Condition: (continued)*

**Frederick County**

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

**Cecil County**

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

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

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

**(September, 2008 Update)**

The Department agrees with the recommendation. The Department followed up with the Department of Human resources Local Department of Social Services offices in order to obtain the details of the cases cited above:

- The Cecil County case was closed for failure to complete the interview process, which would explain why a signed application was missing.
- The file for Frederick County case was found.
- The file for Howard County case could not be located. The Medical Care program Administration (MCPA) will send a letter requesting an investigation to the Family Investment Administration (FIA) at DHR referencing these issues and requesting that the documentation be obtained or that the case be closed.
- In addition, Baltimore City did not maintain the original signed application for the application filed on October 27, 2006. In that case, a new application was requested and received to support the eligibility decision made on November 9, 2006.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007- 2 (continued)**

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

The Medical Care Program Administration (MCPA) will ensure that DHR's LDSS maintain documentation to support the agency's eligibility determination by conducting ongoing trainings and by working with DHR and the LDSS to perform Supervisory Review System (SRS) and internal audits by the bureau of Continuous Improvement.

***Auditors' Comment:***

No similar finding was repeated in fiscal year 2008.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007-3**

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

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

**US Department of Health and Human Services**

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

***Condition:***

The Local Health Departments (LHD) are responsible for determining eligibility under the Maryland Children’s Health Insurance Program on a uniform basis throughout the State for persons who are apply for the expanded State Children’s Insurance Program under Title XXI of the Social Security Act.

We selected a total of 65 SCHIP claims to review files for eligibility determination. We tested 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Frederick County, Howard County, Cecil County and Charles County. The test was composed of 8 newly established recipients and five existing recipients. All claims were processed during the fiscal year ended June 30, 2007. We noted the following exceptions:

**Baltimore City**

Did not comply with the requirement to verify and maintain proof of citizenship in one of the five existing files tested.

**Frederick County**

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

**Howard County**

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

This is, in part, a repeat finding from fiscal year 2006, Finding 2006-18.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007- 3 (continued)**

*Auditee Updated Response and Corrective Action Plan:*

**(September, 2008 Update)**

The Department agrees with the recommendation. The Department followed up with the LHDs in order to obtain the details of the four cases cited.

- The Frederick County and Howard County case was found and the files were reviewed by the auditor.
- The other Howard County case was never in the LHD office, as the application was made to the Howard County LDSS. That case is still active at that LDSS, but the file could not be located.
- Baltimore City case-We confirmed that the case manager did not acquire documentation of citizenship. The Department has received the LHD's assurance that the error will be corrected within 3 days.

Training will be conducted by DHMH to ensure that the Local Health Department adhere to the established Federal and State regulations for determining eligibility to include obtaining and maintaining the required documentation and performing verifications to support eligibility decisions.

The Medical Care Program Administration (MCPA) continues to monitor and emphasize that the Local Health Departments adhere to all eligibility policy procedures.

*Auditors' Comment:*

Eligibility findings were repeated in fiscal year 2008 as Finding 2008-1.



**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007-4**

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

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

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

**Internal control deficiency over the Financial Reporting Process**

***Condition:***

The State Children’s Health Insurance Program (SCHIP) uses form CMS-21 (Quarterly SCHIP Statement of Expenditures for Title XXI), which is a sub-report of form CMS-64 (Quarterly Medicaid Statement of Expenditures for the Medical Assistant Program), to report its expenditures to the Centers for Medicare and Medicaid Services (CMS). The CMS 64 reports are reviewed by supervisors. After this review is completed, the reports are forwarded to upper level management to review for completeness and accuracy. A final oversight review is performed by the Director, who also signs the report.

We selected the four quarterly CMS-21 Base Reports for fiscal year 2007 for testing. We noted there was no signature by the Director, which is indicative of final review and approval, for the quarters ended 9/30/06, 3/31/07, and 6/30/07 prior to submission to CMS.

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

**(September, 2008 Update)**

The Department agrees with the recommendation. Even though the CMS-21 reports were not signed, they were reviewed and approved by the Medicaid Director of Finance before Submission. Procedures have been established to ensure sign off of the CMS-21 by the Director, Office of Finance.

***Auditors’ Comment:***

There was no repeat finding in fiscal year 2008.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007-5**

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

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

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

**Internal control deficiency over the sub-recipient monitoring process.**

***Condition:***

The Department of Health and Mental Hygiene’s (DHMH) Office of Operations and Eligibility and Pharmacy Beneficiary Services Administration (Office of Operations) requires that each Local Health Departments (LHD) submit annual statistical reports by August 31<sup>st</sup> of each year. This requirement is contained in the Office of Operations’ instruction manual entitled Instructions for Preparing Narrative and Budget Maryland Children’s Health Program Eligibility Determination (Instructions). These Instructions specifically state, “if a local department does not comply with the Annual Report requirement DHMH could deny the next years funds as stated in the budget instructions and a condition of receiving a fiscal award.”

Of the twenty-four Local Health Departments reviewed, we noted Charles and Cecil Counties LHDs did not submit their annual statistical reports by August 31<sup>st</sup>. Despite this non-compliance, DHMH awarded SCHIP funds to these two counties.

This is a repeat finding from Fiscal Year Ended June 30, 2006 Finding 2006 -17.

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

**(September, 2008 Update)**

DHMH agrees with recommendation. We are now in receipt of the reports from two local health departments. The primary causes for the delays in submission of the reports are ongoing staffing shortages and the untimely illness of Local Health Department Staff.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007-5 (continued)**

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

A corrective Action Plan has been discussed with the Maryland Children’s Health Program (MCHP) Supervisors within the State of Maryland. The Department will amend procedures in the future to state that Local Health Department must be in receipt of an approved extension if the report is not received by August 31<sup>st</sup>. The Annual Report will be added as a standard agenda item at the statewide MCHP quarterly meeting. The Department will discuss projected timetable and any issues that may lead to a delay in a timely issuance of the specified timetable for submission as stated in the current budget instructions.

In addition, the Department will continue to enforce our current/previous year’s standard of notifying the Local Health Department throughout the year via email and offering assistance, getting updates on the status of the Annual Report and the projected date of submission.

The Medical Care Program Administration (MCPA) received all reports timely in FY 2008.

*Auditors’ Comment:*

There was no repeat finding in fiscal year 2008.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007-6**

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

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

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

**Compliance and Internal Control deficiency over Procurement and Suspension and  
Debarment.**

***Condition:***

We reviewed 25 contracts between the Department of Health and Mental Hygiene and contractors/subrecipients. The purpose of our review was to determine whether suspension and debarment certifications were obtained in accordance with the provisions of OMB Circular A-102 and other procurement requirements specific to an award. We noted that 4 out of the 25 contracts did not have suspension and debarment certifications verifying that the entity is not suspended or debarred.

This is in part, a repeat finding from Fiscal Years Ended June 30, 2005 and 2006 Single Audit Report Finding numbers 2005-7 and 2006-15 respectively.

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

**(September, 2008 Update)**

The Department agrees with the recommendation. The Office of Procurement and Support Services (OPASS) will adhere to the provisions of OMB Circulars A-102 and A-133 by obtaining and maintaining evidence of suspension and debarment certifications for all covered contracts and subawards. The Office of Procurement and Support Services (OPASS) feels that two of the cases were a one time only audit exception. The other two contracts cited were for one-day conferences. In the future, OPASS will obtain debarment information on all Memorandums of Understanding (MOU's) regardless of services provided.

***Auditors' Comment:***

There was no repeat finding in fiscal year 2008.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007-7**

**Department:** Department of Health and Mental Hygiene (DHMH)  
**Program:** Medical Assistance Program (Medicaid Cluster)  
**CFDA Number:** 93.778

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

**Compliance and Internal Control deficiency over the Medicaid Eligibility Quality Control System (MEQC).**

***Condition:***

The MEQC failed to submit the required reports on negative case reviews, error rate analysis, and corrective action plan for fiscal year 2007.

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

**(September, 2008 Update)**

No change from our previous response. The Department agrees that the reports should be filed timely, but disagrees that multiple reports should be filed. Per the Center For Medicare and Medicaid Services (CMS) Medicaid Eligibility Quality Control (MEQC) staff, DHMH need only submit one summary report for each fiscal year, which is due in August. DHMH has permission from CMS to run a pilot program that conducts focused reviews and special studies, rather than a traditional MEQC program. In the report to CMS, DHMH need only provide a summary of its MEQC pilot activities and its negative case action review.

DHMH was late with this report due to internal reorganizations and leadership changes. The Office of Eligibility Services completed the report and sent it to CMS on February 22, 2008, thus fulfilling its reporting obligation and will submit future reports timely.

***Auditors' Comment:***

Finding repeated in fiscal year 2008 as Finding 2008-2.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007 - 8**

**Baltimore City Community College**

**Student Financial Assistance Cluster**

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

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

**Baltimore City Community College of Maryland lacks effective internal controls over reporting of the FISAP with the general ledger.**

***Condition:***

Institutions are required to submit the Fiscal Operations Report and Application to Participate (FISAP) by September 30, 2007 for the fiscal year ended June 30, 2007. The Fiscal Operations Report is used to report the institution's student financial aid expenditures in the previous award year and the Application to Participate is used to apply for funds for the next award year. OMB Circular A-133 requires that certain key line items be tested and traced to the institution's financial records.

We noted inconsistencies in the data between the FISAP and Baltimore City Community College (BCCC) general ledger and other supporting records as follows:

1. Total tuition and fees for undergraduates did not agree to the audited financial statements for the year ending June 30, 2007.
2. Total Federal Pell Grant expenditures for the 2006-2007 award years did not agree to the audited financial statements for year ending June 30, 2007.
3. Total expended for state grants and scholarships made to undergraduates for the award year July 1, 2006 to June 30, 2007 did not agree to the audited financial statements for the year ending June 30, 2007.
4. Funds advanced to students did not agree with Perkins Loan Program supporting documentation.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007– 8 (continued)**

***Condition: (continued)***

We found that the reported amounts for the aforementioned items were inconsistent with BCCC's general ledger as of June 30 2007. BCCC was able to provide reconciliation for the differences, however during the reconciliation we observed that the FISAP overlapped two award years and did not agree with the audited financial statements.

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

**(January, 2009 Update)**

Reconciliation of tuition & fees, Federal Pell Grant expenditures, and total expended state grants and scholarships was provided to the auditors during the most recent FY 2008 audit period. No further actions are required. The reconciliation has been accepted by the auditors.

**Federal Resolution:**

September 5, 2008

The finding has been satisfactory addressed as described in the corrective action plan; therefore, no further action is required.

***Auditors' Comment:***

The corrective action satisfied the auditors' recommendation. The finding is resolved.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007 - 9**

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

**Student Financial Assistance Cluster**  
**CFDA No. 84.038 Federal Perkins Loans (FPL)**  
**U.S. Department of Education (DED)**

**St. Mary's College lacks effective internal controls over FISAP reconciliation**

***Condition:***

Institutions are required to submit the Fiscal Operations Report and Application to Participate (FISAP) by September 30, 2007 for the fiscal year ended June 30, 2007. The Fiscal Operations Report is used to report the institution's student financial aid expenditures in the previous award year and the Application to Participate is used to apply for funds for the next award year. OMB Circular A-133 requires that certain key line items be tested and traced to the institution's financial records.

We noted inconsistencies in the data between the FISAP and St. Mary's general ledger or other supporting records for the FPL as follows:

1. Total tuition and fees for undergraduates did not agree to the audited financial statements for the year ending June 30, 2007.
2. Total Federal Pell Grant expenditures for the 2006-2007 award year did not agree to the audited financial statements for year ending June 30, 2007.
3. Total expended for state grants and scholarships made to undergraduates for the award year July 1, 2006 to June 30, 2007 did not agree to the audited financial statements for the year ending June 30, 2007.
4. Funds advanced to students did not agree with Perkins Loan Program supporting documentation.

We found that the reported amounts for the aforementioned items were not reviewed and compared with the audited financial statements as per St Mary's general ledger. The FISAP needs to be revised to be in agreement with the official balances reported in the final audited statements for the year ending June 30, 2007. This action would be necessary to ensure that the FISAP was accurately reported and in agreement with the St. Mary's audited financial statements.



**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007-9 (continued)**

*Auditee Updated Response and Corrective Action Plan:*

**(January, 2009 Update)**

The College's response to each of the four inconsistencies follows:

1. Total tuition and fees on the FISAP and the financial statements did not agree.

Response:

Tuition and fees are reported at gross values on the FISAP but net of discounts on the financial statements.

2. Total Pell on the FISAP and the financial statements did not agree.

Response:

Pell grants were correctly reported on the FISAP by semester. The financials correctly reported expenditures by calendar date, but there is a timing difference for one payment in the amount of \$3,100.

3. Total State Grants and Scholarships on the FISAP and the financial statements did not agree.

Response:

State grants and scholarships are not listed in the financial statements specifically but reconcile back to the underlying data. Expenditures were correctly reported on the FISAP.

4. Funds advanced to students for Perkins Loans on the FISAP and the financial statements did not agree.

Response:

Funds advanced for Perkins Loans did vary by \$900 due to a data entry error in preparing the FISAP, this has been corrected in the filing for the current fiscal year.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007-9 (continued)**

*Auditors' Comment:*

The corrective action satisfied the auditors' recommendation. The finding is resolved.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007 -10**

**Morgan State University**

**Student Financial Assistance Cluster**

**CFDA No. 84.007 Federal Supplemental Education Opportunity Grant**

**CFDA No. 84.063 Federal Pell Grant Program**

**CFDA No. 84.033 Federal Work Study Program**

**CFDA No. 84.038 Federal Perkins Loan Program**

**CFDA No. 84.375 Academic Competiveness Grant**

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

**Morgan State University of Maryland lacks effective internal controls over reporting of the FISAP with the general ledger.**

***Condition:***

Institutions are required to submit the Fiscal Operations Report and Application to Participate (FISAP) by September 30, 2007 for the fiscal year ended June 30, 2007. The Fiscal Operations Report is used to report the institution's student financial aid expenditures in the previous award year and the Application to Participate is used to apply for funds for the next award year. OMB Circular A-133 requires that certain key line items be tested and traced to the institution's financial records.

We noted inconsistencies in the data between the FISAP and Morgan State University (Morgan) general ledger and other supporting records as follows:

1. Total Federal Pell Grant expenditures for the 2006-2007 award years did not agree to the audited financial statements for year ending June 30, 2007.
2. Total expended for state grants and scholarships made to undergraduates for the award year July 1, 2006 to June 30, 2007 did not agree to the audited financial statements for the year ending June 30, 2007.
3. Funds advanced to students did not agree with Perkins Loan Program supporting documentation.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007 - 10 (continued)**

***Condition: (continued)***

We found that the reported amounts for the aforementioned items were inconsistent with Morgan's general ledger as of June 30 2007. Morgan was able to provide reconciliation for the differences, however during the reconciliation we observed that the FISAP overlapped two award years and did not agree with the audited financial statements.

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

**(January, 2009 Update)**

Auditor's recommendation: Morgan implements stronger control procedures over its reporting of FISAP data.

**Response:**

This finding was resolved and the auditors' concern was satisfied. Specifically, the data from each contributing department is validated to ensure accuracy and conformity to the data included in the financial statements.

***Auditors' Comment:***

The corrective action satisfied the auditors' recommendation. The finding is resolved.

**STATE OF MARYLAND**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2008**

**Section III – Federal Award Findings and Questioned Costs (Continued)**

**Finding 2007-11**

**Department of Labor, Licensing and Regulation (DLLR)**  
**Federal Department of Labor**  
**CFDA No. 17.258 – WIA Adult Program**  
**CFDA No. 17.259 – WIA Youth Activities**  
**CFDA No. 17.260 – WIA Dislocated Workers**

**Internal control weakness related to client file maintenance.**

***Condition:***

Our test of a Local Workforce Investment Board's (LWIB) files disclosed internal control weaknesses in case file documentation. Several files we examined were incomplete or did not document employment verification follow-up or case closure.

***Auditee Updated Response and Corrective Action Plan:***  
**(November, 2008 Update)**

DLLR continues to provide ongoing technical assistance to LWIB's and staff in regard to the DOL administrative requirements, proper file maintenance and case management. Also, DLLR has assigned additional program monitoring duties to another staff in order to increase our monitoring capacity and to add additional depth to this process. Therefore, our program monitoring staff has changed from three to four monitors. In addition, the program monitors have performed random checks of participant files at the local areas. This process will continue on an ongoing basis.

**Federal Resolution:**

January 14, 2009

U.S. Department of Labor, Employment and Training Administration (ETA) staff noted that DLLR needs to describe the different methodologies it will use for sampling participant files during monitoring; explain how the different methodologies to sample participant files will address conditions found by the auditors; and whether they are consistent with corrective actions implemented as a result of finding 2006-9. DLLR needs to submit its schedule for the monitoring cycle that began April, 2008, and the various monitoring tools used to test the different methodologies for sampling participant files. Additionally, DLLR needs to describe how it addressed the conditions found by the auditors during the monitoring cycle.

Determination: Based on the above, the finding is uncorrected.

***Auditors' Comment:***

The finding was repeated in fiscal year 2008 as Finding 2008-10.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007-12**

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

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

***Condition:***

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

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

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

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

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007- 12 (continued)**

***Condition: (continued)***

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

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

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

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

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

**(December, 2008 Update)**

The Child Support Enforcement Administration (CSEA) provides training for new staff by way of the New Staff Academy. The *Introduction to Child Support Enforcement* course trains on the basic elements of child support and educates staff on the Federal timelines. In March 2008 the Administration began providing training for supervisors on the basic elements of Child Support Enforcement, with a re-training on the Federal guidelines. This training will be conducted on an annual basis.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007-12 (continued)**

**Federal Resolution:**

December 2008

The U.S. Department of Health and Human Services, Administration for Children and Families, Region III concurs with auditors' recommendation. The CSEA advised that since February 2007, corrective action plans have been further strengthened for future case processing so that errors will not occur again. The CSEA said that in March 2008, the Administration began providing training for supervisors on the basic elements of Child Support Enforcement, with a re-training on the Federal guidelines. The training will be conducted on an annual basis. Corrective actions implemented by the organization were sufficient to resolve the auditors' recommendation.

***Auditors' Comment:***

There was a repeat finding noted for fiscal year 2008 which is reported as Finding 2008-13.



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**Summary Schedule of Prior Audit Findings**  
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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007-13**

**Department of Human Resources (DHR)**

**CFDA No. 93.563 – Child Support**

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

**DHR has internal controls weaknesses over payment of invoices.**

***Condition:***

DHR processes invoices in batches. The required documents in a batch are a Transmittal Cover Sheet, which lists the total amount being paid in the batch; the detail pages to the transmittal, which list all invoices that have been paid in the batch in order of document number, and invoices for all payments included in the batch.

During our review of twenty-five expenditures, we noted:

1. One instance where the transmittal cover sheet and transmittal detail pages were not provided.
2. One instance where neither- the transmittal cover sheet nor the invoice were approved for payment.

This is a repeat finding from the Fiscal Year 2006, Single Audit Report finding number 2006-6.

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

**(December, 2008 Update)**

In 2007 the Department began signing both the original and copy of the transmittal cover sheet, and began stapling the copy of the cover sheet to our archive file folder to prevent loss. Also in 2007 the Department began documenting the secondary review and approval of all invoices by initialing the invoice copy retained in the archive file folders.

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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007-13 (continued)**

**Federal Resolution:**

December 2008

The U.S. Department of Health and Human Services, Administration for Children and Families, Region III concurs with the auditors' recommendation. The State has strengthened its procedures to document the receipt and review of audit reports. It has also added a control to provide appropriate follow-up. The State's response is acceptable to resolve the auditors' finding.

***Auditors' Comment:***

There was no repeat finding in fiscal year 2008.

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**Summary Schedule of Prior Audit Findings**  
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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007 - 14**

**Department of Human Resources (DHR)  
CFDA No. 93.563 – Child Support**

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

**DHR has internal controls weaknesses over Sub-Recipient Monitoring.**

***Condition:***

DHR enters into agreements, called Cooperative Reimbursement Agreements, with local government departments, such as sheriffs departments, State's Attorney's Offices and County Masters for these entities to conduct such tasks as to issue warrants and summonses related to establishing or enforcing Child Support; conducting hearings to establish paternity, child support or medical support obligations, and conducting hearings to enforce or modify support orders.

The Contract Services Division is responsible for monitoring the local government entities' performance on the contracts. The Contract Services Division performs its monitoring duties by issuing five monitoring reports for the year for each entity and requiring corrective action plans when actual performance falls below expected performance.

During our testing, we noted:

4. Monitoring reports were not issued on a quarterly basis for one of the eight cooperative monitoring agreements reviewed.
5. All corrective action plans were not received by DHR on a timely basis for three of the eight cooperative monitoring agreements reviewed.
6. For three of the cooperative reimbursement agreements reviewed, all quarterly monitoring reports were not reviewed by a supervisor as evidenced by a supervisor's initials.
7. As a result of not receiving all of the monitoring reports or corrective action plans, DHR does not monitor Cooperative Reimbursement Agreement Agencies according to established procedures.
8. As a result of not receiving all of the monitoring reports or corrective action plans, we could not determine whether CSEA provided reasonable assurance that sub recipients used Federal awards for authorized purposes, complied with laws, regulations, contracts and grant agreements and achieved performance goals.

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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007 – 14 (continued)**

***Condition: (continued)***

9. As a result of not receiving all of the monitoring reports or corrective action plans, we could not determine whether CSEA maintained adequate records of any noncompliance.
10. As a result of not receiving all of the monitoring reports or corrective action plans, we could not determine whether Cooperative Reimbursement Agreement agencies were monitored according to established procedures.

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

**(December, 2008 Update)**

In 2008 the process to strengthen Cooperative Reimbursement Agreements (CRA) performance monitoring was implemented. The process includes comparing data reported by the entities to performance goals and requiring Corrective Action Plans from CRA's whose performance is below contract goals. Supervisory review and sign-off was also implemented. The changes in procedures implemented include a requirement that all documents related to all contracts would have an original or copy in the supervisor's office. Also, an electronic tickler system was put into place to remind the staff to follow-up on all actions required.

***Auditors' Comment:***

There was a repeat finding noted for fiscal year 2008 which is reported as Finding 2008-14.

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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007 - 15**

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

**U.S. Department of Transportation**

**SHA was noncompliance over Unallowable Costs to federal grants**

***Condition:***

State Highway Administration included employees and contractors to participate in a National Highway Institute course. The State Highway Administration received reimbursements from non-state participants in the amount of \$29,400 but charged the tuition federal grant with the cost of all participants.

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

**(December, 2008 Update)**

We reissued guidelines on Education & Tuition Reimbursement on April 8, 2008. We are subsequently receiving the appropriate inquiries and issuing guidance to assure proper processing of tuition and direct educational expenses paid with federal funds as directed in guidelines.

***Auditors' Comment:***

There was no repeat finding for fiscal year 2008.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007 –16**

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

**U. S. Department of Transportation**

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

***Condition:***

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

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

**(December, 2008 Update)**

A procedure was established during a conference on March 21, 2008 with Office of Construction: Contractors are checked for debarment on the Excluded Parties List the day after bid openings and that date is entered into the database. Contractors that are recurring bidders are checked every 30-60 days. This procedure, which has been in place since May, 2008, was verified in November, 2008.

***Auditors' Comment:***

There was no repeat finding for fiscal year 2008.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007**  
**(Continued)**

**Finding 2007- 17**

**University System of Maryland – Bowie State University and University of Maryland,  
Eastern Shore**

**Student Financial Aid Cluster**  
**CFDA No. 84.032 and 84.268**

**Untimely and Inaccurate Submission of Student Status Changes to the NSLDS.**

***Condition:***

**Bowie State University**

During our testing of student status changes, we noted 15 student status changes were not timely reported to the National Student Loan Disbursement System (NSLDS) within the 30 or 60 day requirement.

**University of Maryland, Eastern Shore**

During our testing of student status changes, we noted 2 students that had status changes and those changes were not properly reported to NSLDS. There were also 2 students who withdrew and the date reported to NSLDS was reported outside of the 30 and 60 day requirement.

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

**(November, 2008 Update)**

Bowie State University - The University has submitted the required Clearinghouse reports in accordance with the transmission dates set up between the University and the Clearinghouse. In instances where the transmissions were delayed, arrangements were made between the University and the Clearinghouse to accommodate the receipt and processing of the report.

University of Maryland Eastern Shore - In March of 2008, UMES' Administrative computing staff was requested to review the technical aspects on the NSLC Reporting process with our Registrar's Office, based upon the noted findings in the audit. Corrections were made prior to the March 28, 2008 Clearinghouse submission. As of this date, the issue has been resolved to the best of our knowledge.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2007  
(Continued)**

**Finding 2007- 17 (continued)**

**Federal Resolution:**

September 5, 2008

The finding for Bowie State University and The University of Maryland-Eastern Shore have been satisfactorily addressed as described in the Corrective Action Plan. Therefore, no further action is required for this finding.

***Auditors' Comment:***

There was no repeat finding for fiscal year 2008. The finding is resolved.



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**Finding 2006 – 1**

**University System of Maryland  
Federal Student Aid Cluster**

**CFDA 84.032 Federal Family Education Loans  
CFDA 84.268 Federal Direct Student Loans**

**U.S. Department of Education**

**The University of Maryland University College (UMUC) did not comply with Title IV requirement to return funds within the required time frame for a student that withdrew from classes. The controls in place did not allow them to properly identify all withdrawals that result in the return of Title IV funds.**

***Condition:***

During single audit testing, we noted that one student from a selection of ten withdrew on December 19, 2005 from the fall semester. We calculated that \$1,141 should have been returned to the Title IV program based on the total aid the student received and the days the student earned. As of the date of testing, no funds were remitted to the Title IV program due to this withdrawal. Due to the results of this test, on July 27, 2006 the institution returned the unearned portion to the Title IV program. For UMUC to be in compliance with OMB Circular A-133, the funds should have been returned to the Title IV program within 30 days of the withdrawal date which was January 18, 2006.

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

**(November, 2008 Update)**

UMUC continues to follow the Corrective Action Plan as outlined in our response at the end of fiscal year 2007. UMUC continues to remain confident that our Office of Financial Aid is currently processing the return of Title IV funds accurately and within regulatory timeframes.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2006**  
**(Continued)**

**Finding 2006-3**

**Department of Human Resources (DHR)**

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

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

**DHR did not comply with draw down procedures required in accordance with proper Cash Management of Federal funds.**

***Condition:***

All funds drawn for Child Support are to be drawn based on the Cash Management Improvement Act Agreement. Child Support uses two types of draw methods. The “Drawdowns at Fixed Intervals – Monthly (modified)” method is used for Administrative Costs and Vendor Payments. The “Dollar Weighted Clearance – Modified” method is used for Payroll costs. Both of the aforementioned draw methods have a clearance pattern of one day.

During our review of 25 draws (10 Administrative and 15 Payroll draws) we noted three instances where the draw did not clear in one day as specified by the clearance pattern used. Two instances were for Administrative draws and one instance was for a Payroll draw.

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

**(December, 2008 Update)**

To allow adequate time to address unforeseen delays and to ensure federal draw requests are received by the State Treasurer’s Office by their deadline of 2:00 PM, in 2007 the Department began processing draw requests by 12:00 PM on the day they are due. The Department also instituted an electronic reminder the day before and the morning of the due date for draw requests. This reminder is sent to the individual responsible for processing the requests for payment and the individual’s supervisor.

***Auditor’s Comment:***

Unresolved by Federal Government.

**STATE OF MARYLAND**  
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**(Continued)**

**Finding 2006-5**

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

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

***Condition:***

When a Child Support Enforcement Interstate Case is initiated by the State of Maryland (Maryland), Maryland has 10 days to review the case and notify the responding State of any change or deviation in the case. When a Child Support Enforcement Interstate Case is initiated by another State and Maryland is responding, Maryland has 10 days to review and notify the initiating State of any changes or deviations in the case. During our review, we noted that in 7 out of 13 initiating cases, or 53.85%, the responding State was not notified within the proper time frame of a change in the case.

After a non-custodial parent has been located the Child Support Enforcement division has 90 days to obtain a court order to begin the process of securing a support order, which may or may not include establishing paternity. During our review, we noted that in 1 out of 13 initiating cases, or in 7.69%, that a court order was not obtained to establish paternity within 90 days of locating the non-custodial parent.

When the Child Support Enforcement division is processing an interstate case and Maryland is the initiating state, the division has 20 days to refer the case to the responding state's central registry after determining that the non-custodial parent is located in another state. During our review we noted that in 1 out of 13 initiating cases, or 7.69%, that the case was not referred to the responding state's central registry within 20 days.

This is a repeat finding from FY 2004 and 2005.

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

**(December, 2008 Update)**

The Child Support Enforcement Administration (CSEA) provides training for new staff by way of the New Staff Academy. The *Introduction to Child Support Enforcement* course, trains on the basic elements of child support and educates staff on the Federal timelines. In March 2008 the Administration began providing training for supervisors on the basic elements of Child Support Enforcement, with at re-training on the Federal guidelines. This training will be conducted on an annual basis.

**STATE OF MARYLAND**  
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**(Continued)**

**Finding 2006-5 (continued)**

**Federal Resolution:**

December 2008

The U.S. Department of Health and Human Services, Administration for Children and Families, Region III concurs with auditors' recommendation. The CSEA advised that since February 2007, corrective action plans have been further strengthened for future case processing so that errors will not occur again. The CSEA said that in March 2008, the Administration began providing training for supervisors on the basic elements of Child Support Enforcement, with a re-training on the Federal guidelines. The training will be conducted on an annual basis. Corrective actions implemented by the organization were sufficient to resolve the auditors' recommendation.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
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**(Continued)**

**Finding 2006-6**

**Department of Human Resources (DHR)**

**CFDA No. 93.563 – Child Support**

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

**DHR has internal controls weaknesses over payment of invoices.**

***Condition:***

DHR processes invoices in batches. The required documents in a batch are a Transmittal Cover Sheet which lists the total amount being paid in the batch; the detail pages to the transmittal which list all invoices that have been paid in the batch in order of document number, and invoices for all payments included in the batch.

Rent is paid in advance of receiving an invoice. DHR receives “Rent Registration” sheets which list all rents due for the month from the Department of General Services and the invoices are received later. Since the invoices are received after payment has been made, they are filed separately from the batches.

During our review of 25 expenditures, we noted one instance where an invoice for rent was not present.

The approval of an invoice for payment is a multi-step process which involves review by a staff level Accounts Payable employee, the Accounts Payable Supervisor, and the Accounting Manager. All invoices are to be signed individually by an Accounts Payable employee to evidence that they are approved for payment.

During our review of 25 expenditures, we noted three instances where the invoice/supporting documentation did not have the signature of a supervisor to verify that it was reviewed and approved.

The Department does not concur that proper internal controls were not established over the processing of invoice transactions.

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**(Continued)**

**Finding 2006-6 (continued)**

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

**(December, 2008 Update)**

In 2007, the Department began documenting the secondary review and approval of all invoices by initialing the invoice copy retained in the archive file folders. As for rent payments, in September 2008 the Department began processing rent payments directly from vendor submitted invoices instead of utilizing a rent register for recurring rent payments. Authorization to pay is obtained from the program manager and the secondary review and approval of all invoices is documented by initialing the invoice copy retained in the archive file folders.

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**(Continued)**

**Finding 2006-8**

**Department of Human Resources (DHR)**  
**CFDA No. 10.561 – Food Stamps Program**

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

**The Food Stamps Program had internal control weaknesses over the Financial Reporting Process. Some required reports were filed late.**

***Condition:***

The Food and Nutrition Service (FNS) 46 Issuance Reconciliation Report is a reconciliation report of food stamp benefits actually issued with the State's Master Issuance File. Generally, one FNS-46 covers the entire State if it operates only one issuance (EBT). The Master Issuance contains records on all households eligible to receive benefits. Actual issuances may be recorded in the Record for Issuance (RFI) or an alternative filing system. The RFI is created from the Master Issuance File and discloses the amount of benefits the household is eligible to receive and the actual amount issued. The FNS-46 report is prepared on a monthly basis and is required to be submitted ninety (90) days after the month's end to the U.S. Department of Agriculture.

We reviewed 4 monthly FNS-46 Reports for testing and noted that 4 monthly reports were submitted more than ninety days after the month's end to the U.S. Department of Agriculture. This is a repeat finding.

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

**(December, 2008 Update)**

In January 2007 the Department developed a schedule for the FNS-46 report that anticipates the date of completion and transfer to the Food and Nutrition Service approximately 60 days after the month end. The anticipated transfer date is well with the 90-day timeframe required by FNS. To date the Department has adhered to this schedule.

***Auditor's Comment:***

Unresolved by Federal Government.

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**(Continued)**

**Finding 2006-9**

**Department of Labor, Licensing and Regulation (DLLR)**  
**U.S. Department of Labor**

**CFDA No. 17.258 – WIA Adult Program**  
**CFDA No. 17.259 – WIA Youth Activities**  
**CFDA No. 17.260 – WIA Dislocated Workers**

**Internal control weakness related to client file maintenance.**

***Condition:***

Our test of a Local Workforce Investment Board's (LWIB) files disclosed internal control weaknesses in case file documentation. Eleven files we examined were incomplete or did not document employment verification follow-up or case closure.

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

**(November, 2008 Update)**

DLLR continues to provide ongoing technical assistance to LWIB's and staff in regard to the DOL administrative requirements, proper file maintenance and case management. Also, DLLR has assigned additional program monitoring duties to another staff in order to increase our monitoring capacity and to add additional depth to this process. Therefore, our program monitoring staff has changed from three to four monitors. In addition, the program monitors have performed random checks of participant files at the local areas. This process will continue on an ongoing basis.

**Federal Resolution:**

January 26, 2009

The finding is uncorrected.



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(Continued)**

**Finding 2006-10**

**Department of Labor, Licensing and Regulations (DLLR)**  
**U.S. Department of Labor**

**CFDA No. 17.207 Employment Services**  
**U.S. Department of Labor**

**Internal Control weakness exists in reporting the earmarking requirements.**

***Condition:***

DLLR Division of Workforce Development did not accurately report the ten percent earmark for Employment Services due to an error in typing the data in the remarks section of the SESA Financial Status Report -Std. Form 269 (SF 269). The amount reported was overstated by \$9,601,696, and the error was not caught and corrected by DLLR.

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

**(November, 2008 Update)**

The Department has reported the correct amount of earmarking for FY 2007 and FY 2008.

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**(Continued)**

**Finding 2006-11**

**Department of Health and Mental Hygiene (DHMH)**  
**Maternal and Child Health Program**

**CFDA No. 93.994**

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

**Compliance and Internal Control Weakness over Subrecipient Monitoring.**

***Condition:***

We reviewed twenty-five (25) files that contain documents related to the award of Federal funds by the Department of Health and Mental Hygiene (DHMH) to local health departments (LHDs) and private vendors (“subrecipients”) to obtain reasonable assurance that site visits to evaluate financial and programmatic records were conducted in accordance with the General Requirements of OMB Circular A-133 and the conditions of grant award imposed by DHMH. Although DHMH asserts that site visits were conducted for all local health departments in fiscal year 2006, we found that three (3) out of the 25 files reviewed contained no evidence of such visits or other means of assuring that the local health departments are complying with laws, regulations and provisions of their agreements with DHMH.

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

**(November, 2008 Update)**

The Department’s previous response and corrective action plan remains unchanged.

The Department concurs with the finding but does not concur with the recommendation. The Department points out that one of the criteria cited does not cover the federal grant award under review. The criteria states, in part, “In addition, DHMH through its Human Services Agreements-Conditions of Grant Awards document imposes a general condition...which states jurisdictions family planning programs must comply with the Family Planning Clinical and Administrative Site Review Process, including self reviews and on-site state reviews.” For the record, it should be noted that the audit was conducted on the Maternal and Child Health Title V federal grant award, not on the Family Planning Title X federal grant award.

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**(Continued)**

**Finding 2006-11 (continued)**

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

Because the three grants referred to in the audit exception were not family planning grants, they were not subject to “site visits” as required in the Conditions of Award referenced in the finding. These grants are subject to a condition requiring participation in conferences with grant monitors to review mid-year progress and identify areas for “technical assistance and consultation” (Condition 5 in the Center for Maternal and Child Health section of the Conditions of Award). These conferences may or may not be conducted on-site. These three grants were also subject to conditions requiring mid-year and end-of-year progress reports in addition to the year-end budget reconciliation submitted on the DHMH 440 (Condition 3 and 4 in the Condition of Awards).

While grant files for the three grants (Anne Arundel Co. FH 77IPO (Improved Pregnancy Outcome), Baltimore City FH 181MCH (Childhood Lead Poisoning Prevention), and Prince George’s Co. FH 362HRI (High Risk Infant)) did not contain documentation of site visit reports or other documentation of grant monitoring activities as required by OMB Circular A-133 General Requirement, Part 3, subpart M, this was a failure to retain documentation rather than a lack of monitoring. The program agrees that documentation should be consistently maintained for all monitoring activities, which are carried out consistent with the grant requirements, OMB Circular A-133 General Requirement, Part 3, subpart M, and the DHMH Human Services Agreements Conditions of Award.

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**(Continued)**

**Finding 2006-12**

**Department of Health and Mental Hygiene**  
**Medical Assistance Program Medicaid Cluster**

**CFDA No. 93.778**  
**U.S. Department of Health and Human Services**

**DHMH has not complied with the State Agency standards of receiving a risk assessment report once every two years.**

***Condition:***

DHMH has established and maintains a program for conducting periodic risk analysis to ensure appropriate, cost effective safeguards are incorporated into the MMIS-II application. As part of the analysis, DHMH received a review of the ADP system security supporting the application. The contractor was responsible for preparing the most recent MMIS-II Risk Assessment Report. The report was issued on September 8, 2003 covering the period January 8, 2003 through August 15, 2003. This is a repeat finding.

The risk analysis identified sixty-seven (67) vulnerabilities covering twenty (20) vulnerability areas. The fifty (50) most severe vulnerabilities were noted in the report. The contractor recommended that these vulnerabilities be corrected to avoid losses to the MMIS-II assets and resources. CG also recommended twenty-two (22) safeguards which, if implemented, would substantially reduce the losses to DHMH if these threats occurred or would prevent the threats from occurring all together.

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

**(November, 2008 Update)**

The Department's previous response and corrective action plan remains unchanged. The Medical Care Programs Administration has complied with the State Agency Standard of receiving a Risk Assessment. The Risk Assessment was completed on April 4, 2007.

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**(Continued)**

**Finding 2006-13**

**Department of Health and Mental Hygiene (DHMH)**  
**Medical Assistance Program (Medicaid Cluster)**  
**CFDA No. 93.778 – Medical Assistance Program**

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

**The Department of Health and Mental Hygiene received and credited Federal funds earlier than the required clearance pattern of 8 days from the date of disbursement.**

***Condition:***

We noted that DHMH did not comply with the Clearance Pattern for Provider payments (Non-Voucher only, not processed through the Maryland Medicaid Information System (MMIS). Every Tuesday, the Division of General Accounting prepares a Letter of Credit to request Federal funds for expenditures paid during the Monday through Friday of the previous week based on a Memorandum submitted by the Office of Planning and Finance Budget, Accounting and Revenue Division. We noted on Letter of Credit for Week 48, dated May 30, 2006, which represented expenditures made the week of May 22 through May 26, 2006, that Provider payments (Non-Voucher only, not processed through MMIS), DHMH requested Federal funds that were deposited on June 6, 2006 which represents the seventh (7<sup>th</sup>) day after expenditures. The Division of General Accounting uses the date of the memorandum as the expenditure date and starts counting for clearance pattern purposes, the next day. The clearance pattern for reimbursements not processed in MMIS is eight (8) days. Therefore, DHMH was not entitled to receive funds until June 7, 2006.

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

**(November, 2008 Update)**

The prior period adjustment of \$17.00 was included in the FY 2007 CMIA report due in October 2007.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
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**(Continued)**

**Finding 2006-14**

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

**Medicaid Assistance Program Medicaid Cluster**  
**CFDA No. 93.778**

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

**Internal control weakness over the eligibility determination process for medical assistance.**

***Condition:***

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

The DHR Local Department of Social Service (LDSS) offices did not obtain the necessary documentation and perform the necessary verifications of income and resources to support eligibility determinations for medical assistance benefit payments.

We selected a total of 65 Medical Assistance claims to review the files for eligibility determination. We tested 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Baltimore County, Howard County, Prince Georges County and Anne Arundel County. The test was composed of a selection of 8 newly established recipients and 5 existing recipients.

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

**(November, 2008 Update)**

The Department has implemented the corrective action plan described in the Department's original corrective action plan. DHR has confirmed that the case errors have been corrected. The DHR and DHMH are complying with the established Federal regulations for determining eligibility to include obtaining the required documentation and performing verifications to support eligibility decisions.

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**Summary Schedule of Prior Audit Findings**  
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**(Continued)**

**Finding 2006-14 (continued)**

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

Furthermore, on an ongoing basis, DHMH personnel will discuss persistent case errors at the joint DHMH/DHR quarterly meeting for local office supervisors.

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**Summary Schedule of Prior Audit Findings**  
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(Continued)**

**Finding 2006-15**

**Department of Health and Mental Hygiene (DHMH)  
Medical Assistance Program (Medicaid Cluster)**

**CFDA No. 93.778**

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

**Compliance and Internal Control Weakness over Procurement Requirements and  
Suspension and Debarment Certifications Missing.**

***Condition:***

We reviewed 25 contract files between the Department of Health and Mental Hygiene and the contractor/subrecipient to ensure that the suspended and debarred certifications were obtained in accordance with the provisions of OMB Circular A-102 and other procurement requirements specific to an award. We noted that 13 out of the 25 contracts made to contractors/subrecipients did not have suspension and debarment certifications verifying that the entity is not suspended or debarred.

We also noted that 23 of the 25 contracts reviewed did not contain evidence of a Contract Fulfillment Team as specified in DHMH's Procurement Policy.

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

**(November, 2008 Update)**

The Department's previous response and corrective action plan remains unchanged.

The Office of Procurement and Support Services (OPASS) updated the internal checklist in April, 2007. The staff will indicate if a Contract Fulfillment Team (CFT) meeting was held. Not all contracts need a CFT. The debarment form was also developed and staff has been instructed to follow-up on the debarment sites provided. The staff will keep a copy of the form in the procurement folder. OPASS strives to adhere to the recommendations of the auditors.



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**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2006**  
**(Continued)**

**Finding 2006-16**

**Department of Health and Mental Hygiene (DHMH)**  
**Maternal and Child Health Program**

**CFDA No. 93.994**

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

**Compliance and Internal Control Weakness over Procurement, Suspension and Debarment.**

***Condition:***

We reviewed twenty-five (25) files that contain documents related to the award of Federal funds by the Department of Health and Mental Hygiene (DHMH) to Local Health Departments (LHDs) and private vendors (“subrecipients”) to determine whether suspension and debarment certifications were obtained in accordance with the provisions of OMB Circular A-102 and A-133 and other procurement requirements. We noted that four (4) out of the 25 awards made to subrecipients did not have suspension and debarment certifications verifying that the entity is not suspended or debarred.

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

**(November, 2008 Update)**

The Department’s previous response and corrective action plan remains unchanged. The Office of Procurement and Support Services (OPASS) updated the internal checklist in April 2007. The staff will indicate if a Contract Fulfillment Team (CFT) meeting was held. Not all contracts need a CFT. The debarment form was also developed and staff have been instructed to follow-up on the debarment sites provided. The staff will keep a copy of the form in the procurement folder. OPASS strives to adhere to the recommendations of the auditors.

**STATE OF MARYLAND**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2008**

**Section IV – Summary Schedule of Prior Audit Findings Fiscal Year Ended June 30, 2006**  
**(Continued)**

**Finding 2006-17**

**Department of Health and Mental Hygiene (DHMH)**  
**State Children's Insurance Program (SCHIP)**

**CFDA No. 93.767**

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

**Internal control weakness related to sub-recipient monitoring. DHMH did not adhere to the policy requiring each Local Health Departments to submit annual reports timely in order to qualify for SCHIP funding.**

***Condition:***

The Department of Health and Mental Hygiene's (DHMH) Office of Operations and Eligibility and Pharmacy Beneficiary Services Administration (Office of Operations) requires that each Local Health Departments (LHD) submit annual statistical reports by August 31<sup>st</sup> of each year. This requirement is contained in the Office of Operations Instructions for Preparing Narrative and Budget Maryland Children's Health Program Eligibility Determinations (Instructions) document. We noted that DHMH failed to recognize that three of the twelve LHD's reviewed did not comply with this requirement.

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

**(September, 2008 Update)**

The Medical Care Programs Administration received all reports timely this year.

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**(Continued)**

**Finding 2006-18**

**Department of Health and Mental Hygiene (DHMH)**  
**State Children’s Health Insurance Program (SCHIP)**

**CFDA No. 93.767**

**US Department of Health and Human Services**

**Internal control weakness over the eligibility determination.**

***Condition:***

The Maryland State Department of Health and Mental Hygiene (DHMH) entered into an agreement with the Maryland State Department of Human Resources (DHR). DHR agreed to determine eligibility for SCHIP on a uniform basis throughout the State for persons who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage according to regulations, guidelines and procedures established by DHMH.

The DHR Local Health Departments (LHD) offices did not obtain the necessary documentation and perform the necessary verifications of income and resources to support eligibility determinations for SCHIP.

We selected a total of 65 SCHIP claims to review the files for eligibility determination. We tested 13 files from each of the following five Maryland Jurisdictions: Baltimore City, Baltimore County, Howard County, Prince Georges County and Anne Arundel County. The test was composed of a selection of 8 newly established recipients and 5 existing recipients.

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

**(November, 2008 Update)**

The Medical Care Program Administration’s previous comments and corrective action plan remains unchanged. MCPA continues to monitor and emphasize that the Local Health Departments adhere to all eligibility policy procedures.

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**(Continued)**

**Finding 2006-19**

**Department of Health and Mental Hygiene**  
**CFDA No. 93.283 – Center for Disease Control and Prevention: Investigations and**  
**Technical Assistance**

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

**Internal control weaknesses and non-compliance over the National Breast and Cervical Cancer Early Detection Program earmarking requirement.**

***Condition:***

We noted that the calculations performed by individuals with the Department of Health and Mental Hygiene (DHMH) related to the earmarking requirements for the National Breast and Cervical Cancer Early Detection Program (NBCCEDP) were based on estimated expenditures for screening, non-screening and administration.

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

**(November, 2008 Update)**

The Department's previous response and corrective action plan remains unchanged.

The DHMH concurs with the recommendation, and to address the earmarking requirement, DHMH implemented the use of time studies to track actual expenditures at the local level at the beginning of state fiscal year 2007 (July 1, 2006). Local Breast and Cervical Cancer Program (BCCP) staff was trained on how to complete time studies in May 2006. The time studies are sent to DHMH quarterly. Quarterly reports for the period ending September 30, 2006 and December 31, 2006 were used to verify that actual expenditures charged to the National Breast and Cervical Cancer Early Detection Program cooperative agreement are in compliance with the earmarking requirements under CDC Program Announcement 02060. Based on the first and second quarter time studies from Fiscal Year 2007, the BCCP is in compliance with the earmarking requirements under CDC Program Announcement 02060. Monitoring of the earmarking requirements occurs on a quarterly basis.

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**(Continued)**

**Finding 2006-20**

**Department of Health and Mental Hygiene**

**CFDA No. 93.283 – Center for Disease Control and Prevention: Investigations and  
Technical Assistance**

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

**Internal control weaknesses and non-compliance over the Financial Status Reporting  
process.**

***Condition:***

DHMH is required to submit an annual Financial Status Report (FSR) ninety days after the end of the budget period for the CDC Grant, Bioterrorism Program. The FSR was due November 30, 2006, however, the report was not filed timely and has not been filed through end of fieldwork. We also noted that DHMH's documentation was not in agreement with expenditures reported on the FSR and a reconciliation needs to take place.

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

**(November, 2008 Update)**

The Department's previous response and corrective action plan remains unchanged.

DHMH has modified existing controls related to the supervisory review to ensure that the proper supervisor review is completed and to ensure the data submitted is accurate and complete.

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**Summary Schedule of Prior Audit Findings**  
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**(Continued)**

**Finding 2006-21**

**Department of Housing and Community Development (DHCD)**  
**CFDA 14.871 Section 8 Housing Choice Vouchers**

**U.S. Department of Housing and Urban Development**

**The Department of Housing and Community Development did not have adequate documentation to support purging two individuals from the wait list.**

***Condition:***

During single audit testing SBC noted that two individuals purged from the wait list had no supporting documentation that they had returned mail or that notices were sent to determine why a pre-application had not been submitted to DHCD upon request.

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

**(November, 2008 Update)**

This DHCD has developed a wait list documentation retention policy, which is incorporated in its Housing Choice Voucher Program Administrative Plan in Chapter 4, Section K, entitled "REMOVAL FROM WAITING LIST AND PURGING." The remediation plan requires each Local Housing Agency (LHA) to purge its waiting list every twelve to eighteen months, but not more than once each year. Correspondence is sent to all applicants to ensure the information on the waiting list is accurate and complete. A copy of all correspondence is retained in the applicants' files.

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**(Continued)**

**Finding 2006-22**

**Department of Housing and Community Development (DHCD)**  
**CFDA 93.569 Community Services Block Grant**

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

**DHCD did not perform full subrecipient monitoring for all subrecipients receiving funds under the Community Services Block Grant.**

***Condition:***

During single audit testing SBC noted that one subrecipient selected for testing did not have a full subrecipient monitoring report in the file that was performed within a three year period as required.

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

**(November, 2008 Update)**

The DHCD has developed and implemented a very effective plan to ensure that all seventeen sub-grantees are monitored within the three year period. The plan includes a scheduled monitoring review of six sub-grantees each year. Since the implementation of the plan, the agency has not missed a scheduled review; therefore all reviews scheduled for this year will be completed by December 31, 2008.

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**(Continued)**

**Finding 2006-23**

**Maryland State Department of Education (MSDE)**  
**CFDA No. 84.287 – 21<sup>ST</sup> Century Community Learning Centers**

**U. S. Department of Education**

**MSDE has internal controls weaknesses over verifying the eligibility of Local Education Agencies (LEA)**

***Condition:***

Determining the eligibility of an LEA involves the approval of the LEA's proposed budget by an LEA's Superintendent or Designee, an LEA's Finance Officer and an MSDE Program Officer. During our review of 25 LEAs, we noted 4 instances, or 16% of the LEAs, where the approval of the LEA's Superintendent or Designee was missing from the proposed budget.

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

**(January, 2009 Update)**

Since the above finding, MSDE has met with all grantees to remind them of dual signatures needed on all C-1-25 forms. Any forms received without dual signatures, have been returned to grantees for proper signatures. Forms submitted with signatures but lacking signatures of proper party have been returned.



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**(Continued)**

**Finding 2006-24**

**Morgan State University**

**Student Financial Aid Cluster**

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

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

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

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

**U.S. Department of Education**

**Morgan State University lacks adequate documentation for return of Title IV funds.**

***Condition:***

Morgan State University's (Morgan) methodology used to satisfy the requirement of returning unearned Title IV funds to the Department of Education (ED) when students withdraw from the institution, is not properly documented to provide required audit trails.

We reviewed the refund calculation for 25 students and found that although, the Title IV funds were not physically returned, they were netted using a methodology of reducing Morgan's request/drawdown by 10% to offset the physical return of Title IV funds.

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

**(January, 2009 Update)**

**Auditor's recommendation:**

Morgan must strengthen its documentation to support its methodology when requesting drawdown of Title IV funds.

**Response:**

The University has incorporated the auditors' recommendation into its operating procedures. These procedures provide for a clear and definitive audit trail that effectively shows that Title IV refunds are properly processed in accordance with federal requirements. There was no repeat finding for fiscal year 2007.

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**(Continued)**

**Finding 2006-25**

**Morgan State University**

**Student Financial Aid Cluster**  
**CFDA No. 84.268 – Federal Direct Student Loans (FDLP)**

**U.S. Department of Education**

**Morgan State University did not perform reconciliations for loan disbursements for the Direct Loan program.**

***Condition:***

Morgan does not perform monthly reconciliations of the Direct Loan Student Account Statement to the institution's financial records. We noted that the Financial Aid department is not performing monthly reconciliations as required by the ED with the School Account Statement (SAS). Each month Morgan receives from the Common Origination and Disbursement (COD) a Student Account Data File consisting of a Cash Summary, Cash Detail and Loan Detail Records. Morgan must report all loan disbursements to the Direct Loan Servicing Center via COD within 30 days of the disbursement. This is a repeat finding.

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

**(January, 2009 Update)**

**Auditors' recommendation:**

Morgan performs monthly reconciliations of the School Account Statement (SAS) files and maintains appropriate documentation to verify that the reconciliations are being performed as required.

**Response:**

The University implemented procedures, effective April 30, 2007, that provide for the monthly reconciliations, as recommended by the auditors. The Financial Aid Office has worked closely with the University's Information Technology Department to organize the process. In addition, the University's Internal Auditor performed a follow-up review before June 30, 2007 to ensure that this finding has been adequately addressed. There was no repeat finding for fiscal year 2007.

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**Finding 2006-26**

**Morgan State University**

**Student Financial Aid cluster**

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

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

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

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

**Morgan State University lacks effective internal controls over reconciliation of the FISAP with the general ledger.**

***Condition:***

Institutions are required to submit the Fiscal Operations Report and Application to Participate (FISAP) by September 30, 2006 for the fiscal year ended June 30, 2006. The Fiscal Operations Report is used to report the institution's student financial aid expenditures in the previous award year and the Application to Participate is used to apply for funds for the next award year. OMB Circular A-133 requires that certain key line items be tested and traced to the institution's financial records.

We noted inconsistencies in the data between the FISAP and Morgan's general ledger or other supporting records for the FPL, FSEOG and FWS as follows:

1. Cash on hand and in depository as of June 30, 2006 did not agree to the accounting records for the Perkins Loan.
2. Tuition and Fees for undergraduates and graduate/professionals did not agree to the audited financial statements for the year ending June 30, 2006.
3. Direct Loans advanced to Students did not agree to supporting documents.

We found that the reported amounts for the aforementioned items were preliminary numbers obtained prior to completion of the financial statement audit. However, the FISAP was not revised for the final audited statement amounts upon completion of the audit. This action would be necessary to ensure that the FISAP was accurately reported and in agreement with the audited financial statements.

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**(Continued)**

**Finding 2006-26 (Continued)**

*Auditee Updated Response and Corrective Action Plan:*

**(January, 2009 Update)**

Auditors' recommendation:

Morgan should implement stronger control procedures over its reporting of FISAP data to DED.

Response:

The University implemented procedures effective with the fiscal year 2007 audit cycle that provide for periodic reconciliation of data between its audited financial statements and FISAP.

*Auditors' Comment:*

The corrective action satisfied the auditors' recommendation. The finding is resolved.