

# State Of North Dakota

## Single Audit Report

Fiscal Years Ended June 30, 2012 and 2011



**Prepared by the Office of the State Auditor**

**Robert R. Peterson, State Auditor**

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**STATE OF NORTH DAKOTA  
SINGLE AUDIT**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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STATE AUDITOR  
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BISMARCK, NORTH DAKOTA 58505

March 26, 2013

Honorable Jack Dalrymple  
Governor, State of North Dakota

Members of the Legislative Assembly  
of the State of North Dakota

We are pleased to submit the single audit of the State of North Dakota, covering the fiscal years ended June 30, 2012 and 2011.

This report complies with the State's audit requirements, including those placed upon the State as a condition for the receipt of federal funds for fiscal years 2012 and 2011. The audit meets the requirements of Chapter 54-10 of the North Dakota Century Code, the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

We issued separate reports on the State of North Dakota's financial statements for fiscal years 2012 and 2011. These reports are included in the State of North Dakota's *Comprehensive Annual Financial Report* issued under separate cover for each of the two fiscal years ended June 30, 2012 and 2011, and are available upon request.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bob Peterson".

Robert R. Peterson  
State Auditor



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

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Honorable Jack Dalrymple  
Governor, State of North Dakota

Members of the Legislative Assembly  
of the State of North Dakota

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of North Dakota, as of and for the years ended June 30, 2012 and 2011, which collectively comprise the State of North Dakota's basic financial statements and have issued our reports thereon dated December 14, 2012 and December 20, 2011, respectively. Those reports were modified to include a reference to other auditors, for emphasis of matters regarding funding of the North Dakota Public Employees Retirement System, the Highway Patrolmen's Retirement System and the North Dakota Teachers' Fund for Retirement, to justify a departure from generally accepted accounting principles by the Bank of North Dakota, and to address consistency because of the implementation of Governmental Accounting Standards Board Statement No. 54. We conducted our audits 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. As described in our report on the State of North Dakota's financial statements, other auditors audited the financial statements of the following entities:

Bank of North Dakota  
Beginning Farmer Revolving Loan Fund  
Building Authority  
College SAVE Plan  
Community Water Facility Loan Fund  
Department of Trust Lands  
Developmentally Disabled Facility  
Loan Program  
Guaranteed Student Loan Program  
Housing Finance Agency  
Housing Incentive Fund

Job Service North Dakota  
Mandan Remediation Trust  
PACE and AG PACE Funds  
Public Employees Retirement System  
Rebuilders Loan Program  
Retirement and Investment Office  
State Fair Association  
Student Loan Trust  
Workforce Safety and Insurance  
All Discretely Presented Component Units

This report does not include the results of the other auditors' testing of internal control or compliance and other matters that are reported on separately by those auditors. Further, any Federal financial assistance received by those entities is reported separately and is not included in the State of North Dakota's schedule of expenditures of federal awards.

### Internal Control Over Financial Reporting

Management of the State of North Dakota is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audits, we considered the State of North Dakota's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the State of North Dakota's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of North Dakota's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of financial statement findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of financial statement findings as item F11-1 to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of financial statement findings as items F11-2, F12-1 and F12-2 to be significant deficiencies.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of North Dakota'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*.

The State of North Dakota's responses to the findings identified in our audit are described in the accompanying schedule of financial statement findings. We did not audit the State of North Dakota's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Legislative Audit and Fiscal Review Committee, and 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.



Robert R. Peterson  
State Auditor



Edwin J. Nagel, Jr., CPA  
Director

December 14, 2012



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

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Honorable Jack Dalrymple  
Governor, State of North Dakota

Members of the Legislative Assembly  
of the State of North Dakota

Compliance

We have audited the State of North Dakota's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State of North Dakota's major federal programs for the years ended June 30, 2012 and 2011. The State of North Dakota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State of North Dakota's management. Our responsibility is to express an opinion on the State of North Dakota's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of North Dakota's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State of North Dakota's compliance with those requirements.

As described in findings 12-3, 12-4, and 12-5 in the accompanying schedule of findings and questioned costs, the State of North Dakota did not comply with requirements regarding special tests and provisions-utilization control and program integrity that are applicable to the Medicaid

Cluster. Compliance with such requirements is necessary, in our opinion, for the State of North Dakota to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of North Dakota complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended June 30, 2012 and 2011. The results of our auditing procedures also disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 12-1, 12-6, 12-7, 12-8, 12-9, 12-10, 12-11, 12-15, 12-16, 12-18, 12-21, 12-23, 12-24, 12-26, 12-27, 12-28, 12-29, 12-30, 12-32, 12-33, 12-34, 12-35, 12-36, 12-37, 12-38, 12-39, 12-40, 12-41, 12-42, 12-43, 12-44, 12-45, 12-46, 12-47, 12-48, 12-51, and 12-53.

### Internal Control Over Compliance

Management of the State of North Dakota is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State of North Dakota's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of North Dakota's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified one deficiency in internal control over compliance that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

*A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 12-3, 12-4, and 12-26 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of control deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying

schedule of findings and questioned costs as items 12-2, 12-6, 12-8, 12-9, 12-11, 12-12, 12-13, 12-14, 12-15, 12-17, 12-18, 12-19, 12-20, 12-21, 12-22, 12-23, 12-24, 12-25, 12-27, 12-28, 12-29, 12-30, 12-31, 12-32, 12-33, 12-36, 12-37, 12-38, 12-41, 12-42, 12-43, 12-44, 12-45, 12-46, 12-47, 12-48, 12-49, 12-50, 12-52, and 12-53 to be significant deficiencies.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of North Dakota as of and for each of the two fiscal years ended June 30, 2012 and 2011, and have issued our reports thereon dated December 14, 2012 and December 20, 2011, respectively, which contained an unqualified opinion on those financial statements. Our reports were modified to include a reference to other auditors, for emphasis of matters regarding funding of the North Dakota Public Employees Retirement System and the Highway Patrolmen's Retirement System, to justify a departure from generally accepted accounting principles by the Bank of North Dakota, and to address consistency because of the implementation of Governmental Accounting Standards Board Statement No. 54.

Our audits were conducted for the purpose of forming our opinions on the financial statements that collectively comprise the State of North Dakota's financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 14, 2012 or December 20, 2011. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

The State of North Dakota'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 State of North Dakota's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the State's management, the Legislative Audit and Fiscal Review Committee, and 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.



Robert R. Peterson  
State Auditor



Edwin J. Nagel, Jr., CPA  
Director

March 26, 2013

**STATE OF NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<b>Corporation For National And Community Service</b>						
<i>Unclustered</i>						
Direct Programs:						
94.002	Retired and Senior Volunteer Program	NDSU			\$ 421,352	\$ 280,572
94.003	State Commissions	60100			101,394	102,102
94.004	Learn and Serve America - School and Community Based Programs	60100			2,266	
94.006	AmeriCorps	60100			568,493	593,949
94.007	Program Development and Innovation Grants	60100			27,284	27,791
94.009	Training and Technical Assistance	60100			54,239	50,592
94.013	Volunteers in Service to America	NDSU			48,467	64,127
<i>Total for Unclustered</i>					<u>\$ 1,223,495</u>	<u>\$ 1,119,133</u>
<i>Foster Grandparent/Senior Companion Cluster</i>						
Direct Programs:						
94.011	Foster Grandparent Program	32500			\$ 303,987	\$ 290,687
94.011	Foster Grandparent Program	NDSU			91,939	299,762
<i>Total for Foster Grandparent/Senior Companion Cluster</i>					<u>\$ 395,926</u>	<u>\$ 590,449</u>
<b>Total For Corporation For National And Community Service</b>					<u><b>\$ 1,619,421</b></u>	<u><b>\$ 1,709,582</b></u>
<b>Department Of Commerce</b>						
<i>Unclustered</i>						
Direct Programs:						
11.302	Economic Development - Support for Planning Organizations	DCB			\$ 38,893	\$ 92,028
11.303	Economic Development - Technical Assistance	UND			38,032	127,596
11.303	Economic Development - Technical Assistance	DSU			22,943	23,431
11.468	Applied Meteorological Research	54000			132,709	59,640
11.555	Public Safety Interoperable Communications Grant Program	54000			948,127	771,576
11.558	ARRA - State Broadband Data and Development Grant Program	11200			548,015	512,322
11.617	Congressionally-Identified Projects	NDSU				410,748

**STATE OF NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
11.XXX	2010 Count Review Program	NDSU		BCYA1323-10-00445	3,637	
Pass Through Non-State Entity:						
11.611	Manufacturing Extension Partnership	NDSU	Dakota Manufacturing Extn. Partnership	DOC/DMEP	\$ 7,534	\$ 15,118
<i>Total for Unclustered</i>					<u>\$ 1,739,890</u>	<u>\$ 2,012,459</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
11.440	Environmental Sciences, Applications, Data, and Education	UND			\$	\$ 69,363
11.452	Unallied Industry Projects	UND			436,335	6,153
11.617	Congressionally-Identified Projects	NDSU			200,305	
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 636,640</u>	<u>\$ 75,516</u>
<b>Total For Department Of Commerce</b>					<u><b>\$ 2,376,530</b></u>	<u><b>\$ 2,087,975</b></u>
 <b>Department Of Defense</b>						
<i>Unclustered</i>						
Direct Programs:						
12.300	Basic and Applied Scientific Research	UND			\$ 286,850	\$
12.401	ARRA - National Guard Military Operations and Maintenance (O&M) Projects	54000			1,440,265	20,782
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54000			20,934,422	27,700,248
12.XXX	Educational Service Agreement - Air Force	UND		F33600-99-A-0080	71,326	47,059
12.XXX	Educational Service Agreement - Army	UND		W81K04-08-H-0080	51,050	151,638
12.XXX	Educational Service Agreement - Navy	UND		N00140-98-G2501	53,214	54,512
Nonmonetary Assistance:						
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54000			\$ 1,471,158	\$ 202,199
Pass Through Non-State Entity:						
12.XXX	Pilot Services and Pilot Training Services in support of DHS-CBP Predator Operations and Training Flights	UND	General Atomics	SC1108704	\$ 51,664	\$ 217,296
12.XXX	Predator Pilots/Instructor Pilots and or Senior Pilots to Support DHS-CBP Predator Operations and Training Flights	UND	General Atomics	SC0901402	164,486	
<i>Total for Unclustered</i>					<u>\$ 24,524,435</u>	<u>\$ 28,393,734</u>

**STATE OF NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
12.300	Basic and Applied Scientific Research	UND			\$	\$ 223,095
12.300	Basic and Applied Scientific Research	NDSU				1,786,299 1,078,951
12.351	Basic Scientific Research - Combating Weapons of Mass Destruction	NDSU				176,776 124,605
12.420	Military Medical Research and Development	NDSU				38,255 6,516
12.420	Military Medical Research and Development	UND				161,952 2,014,213
12.431	Basic Scientific Research	UND				51,799
12.431	Basic Scientific Research	NDSU				1,425,320 1,602,880
12.599	Congressionally Directed Assistance	UND				41,119 595,970
12.800	Air Force Defense Research Sciences Program	UND				61,885 45,952
12.800	Air Force Defense Research Sciences Program	NDSU				236,243
12.901	Mathematical Sciences Grants Program	NDSU				14,284
12.910	Research and Technology Development	NDSU				57,151
12.XXX	All-organic Corrosion-resistant Primer Coatings	NDSU		N68936-10-P-0425		20,909
12.XXX	Binder System for High Flexibility Primers	NDSU		FA9550-09-C-0150		36,578
12.XXX	Commodity Value for the Great Lakes, Mississippi-Ohio	NDSU		W91237-11-P-0290		41,692
12.XXX	Corrosion and Material Degradation and/or Army Corrosion	NDSU		W911NF-10-2-0082		430,123 350,454
12.XXX	Detecting and Eradicating Army Corrosion	NDSU		W911NF-09-2-0014		440,391 186,409
12.XXX	Electrochemical Techniques to Probe Coating Heterotgene	NDSU		W911NF-11-2-0027		26,245 141,401
12.XXX	Electronics and Materials for Flexible Sensors	NDSU		H94003-09-2-0905		1,111,881
12.XXX	Electronics and Materials for Flexible Sensors	NDSU		H94003-11-2-1102		1,463,202 1,823,083
12.XXX	High Performance Tunable Materials	NDSU		H94003-10-2-1001		530,633
12.XXX	High Performance Tunable Materials Phase II	NDSU		H94003-11-2-1103		98,516 732,032
12.XXX	Highly Soluble Platinum Diimine and 6-phenyl-2	NDSU		W911NF-10-2-0055		35,176 271,211
12.XXX	Lightweight Reliable Materials for Military Systems	UND		W15QKN-11-2-0002		1,002,717 735,045
12.XXX	Organic/Organometallic Hybrids as Broadband Nonlinear	NDSU		W911NF-06-2-0032		4
12.XXX	PAH-34 Determinations on Grand Calumet River Sediments	UND		W912HZ-11-P-0359		40,595
12.XXX	Production of JP-8 Based Hydrogen and Advanced Tactical	UND		W9132T-08-2-0014		3,147,749 954,513

**STATE OF NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
12.XXX	Rapid Prototyping of Miniature Sensors	NDSU		H94003-09-C-0904	907,118	
12.XXX	Small Trailer Corrosion Prevention	NDSU		W911NF-04-20029	5,225	
12.XXX	Thermal Catalytic Syngas Cleanup for High-Efficiency Waste-Energy Converters	UND		W912HQ-12-C-0026		4,287
12.XXX	Tunable MicroRadio	NDSU		H94003-09-2-0903	1,080,868	
12.XXX	Tunable MicroRadio Phase II	NDSU		H94003-11-2-1101	3,220,633	1,151,129
12.XXX	Unmanned Aerial System Remote Sense and Avoid System and Airborne Payload Analysis and Investigation	UND		FA4861-07-C-C003	3,152,323	609,046
12.XXX	Zero Standoff HERO Compliant pRFID Systems	NDSU		N00189-10-C-Z055	1,091,229	271,215
Pass Through Non-State Entity:						
12.110	Planning Assistance to States	NDSU	Marshall University	MURC15943	\$ 290	\$
12.110	Planning Assistance to States	NDSU	Marshall University	R1101178	39,080	41,835
12.110	Planning Assistance to States	NDSU	Marshall University	R1101429	7,263	28,573
12.300	Basic and Applied Scientific Research	NDSU	University of Missouri-Kansas City	N00014-10-1-0419	24,046	
12.420	Military Medical Research and Development	UND	University of Missouri - Columbia	W81XWH-07-1-0559	5,692	32,389
12.910	Research and Technology Development	NDSU	University of California - Riverside	H94003-09-2-1004	90,943	70,988
12.XXX	Applications of Thermo-lite Material to Unmanned Surface	NDSU	Space Age Synthetics Inc.	N66604-07-C-3299	163,691	113,887
12.XXX	Clear Glossy Antimicrobial Paint Formulation	NDSU	Triton Systems, Inc.	W911QY-11-C-0017		26,682
12.XXX	DARPA Biofuels Program BAA08-07	UND	Science Application International Corp.	4400163139	13,957	
12.XXX	Grand Forks Airforce Base Lepidoptera Survey	NDSU	EA Engineering, Science,Technology Inc	FA8903-10-D-8601		3,813
12.XXX	MEMS Antenna for Wireless Communications Supporting UAVs in the Battlefield	UND	Laserlith Corporation	FA8650-09-C1600	250,409	86,963
12.XXX	MEMS Antenna for Wireless Communications Supporting UAVs in the Battlefield	UND	Laserlith Corporation	W911QX-07-C-0091	119,655	289
12.XXX	Mixture of Zn and Mg Particles for Anticorrosion Primers	NDSU	PPG Industries	DOD/PPG Zn Mg	36,674	4,559
12.XXX	Nanostructure Anodes for High Capacity Li -Lon Batteries	NDSU	Triton Systems, Inc.	TSI-2393-11-100231		22,448
12.XXX	Systems Testing in Support of Liquid Fuels Development for Military Applications	UND	Connecticut Center for Advanced Technology	11-K023		512,993
12.XXX	Waterborne Siloxane Polymers	NDSU	Sherwin Williams Company	2010-84		178,839
12.XXX	Waterborne Siloxane Polymers	NDSU	Sherwin Williams Company	PO 10734011	49,004	
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 22,653,307</u>	<u>\$ 14,128,552</u>
<b>Total For Department Of Defense</b>					<u><b>\$ 47,177,742</b></u>	<u><b>\$ 42,522,286</b></u>

**STATE OF NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<b>Department Of Education</b>						
<i>Unclustered</i>						
Direct Programs:						
84.002	Adult Education - Basic Grants to States	20100			\$ 989,725	\$ 1,068,576
84.011	Migrant Education - State Grant Program	20100			404,233	430,542
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	20100			81,936	61,145
84.031	Higher Education - Institutional Aid	MISU			431,617	430,897
84.031	Higher Education - Institutional Aid	MASU			397,178	450,545
84.031	Higher Education - Institutional Aid	BSC				163,103
84.048	Career and Technical Education - Basic Grants to States	27000			4,086,195	4,023,735
84.069	Leveraging Educational Assistance Partnership	NDUS			183,346	
84.116	Fund for the Improvement of Postsecondary Education	NDSCS			337,395	344,276
84.116	Fund for the Improvement of Postsecondary Education	NDSU			55,815	28,548
84.116	Fund for the Improvement of Postsecondary Education	MISU			215,206	650,351
84.116	Fund for the Improvement of Postsecondary Education	VCSU			283,635	238,204
84.116	Fund for the Improvement of Postsecondary Education	DSU			437,690	119,806
84.129	Rehabilitation Long-Term Training	32500			18,883	17,791
84.144	Migrant Education - Coordination Program	20100			11,797	13,935
84.161	Rehabilitation Services - Client Assistance Program	32500			76,975	73,835
84.184	Safe and Drug-Free Schools and Communities - National Programs	NDSU			132,158	104,681
84.184	Safe and Drug-Free Schools and Communities - National Programs	NDUS			123,230	121,859
84.185	Byrd Honors Scholarships	20100			71,250	12,651
84.186	Safe and Drug-Free Schools and Communities - State Grants	32500			235,031	104,163
84.186	Safe and Drug-Free Schools and Communities - State Grants	20100			366,798	47,567
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	32500			403,690	253,679
84.213	Even Start - State Educational Agencies	20100			336,875	268,831
84.224	Assistive Technology	32500			450,950	335,355

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
84.240	Program of Protection and Advocacy of Individual Rights	36000			125,557	108,671
84.243	Tech-Prep Education	27000			307,993	82,750
84.287	Twenty-First Century Community Learning Centers	20100			5,092,222	5,197,538
84.323	Special Education - State Personnel Development	20100			476,186	345,779
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	DCB				46,911
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	MISU			169,915	146,567
84.326	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	20100			79,367	50,432
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	53000			18,291	36,151
84.343	Assistive Technology - State Grants for Protection and Advocacy	36000			67,647	49,445
84.357	Reading First State Grants	20100			512,086	
84.358	Rural Education	20100			16,285	38,940
84.359	Early Reading First	20100			1,051,019	1,198,683
84.365	English Language Acquisition State Grants	20100			340,876	569,019
84.366	Mathematics and Science Partnerships	20100			728,932	1,259,634
84.366	Mathematics and Science Partnerships	VCSU				127,891
84.367	Improving Teacher Quality State Grants	NDUS			333,481	525,121
84.367	Improving Teacher Quality State Grants	20100			12,542,736	11,868,101
84.369	Grants for State Assessments and Related Activities	20100			2,023,525	4,306,315
84.371	ARRA - Striving Readers	20100			72,369	
84.371	Striving Readers	20100				73,026
84.378	College Access Challenge Grant Program	NDUS			149,925	167,789
84.407	Transition Programs for Students with Intellectual Disabilities into Higher Education	MISU			102,226	202,826
84.410	ARRA - Education Jobs Fund	10100			9,101,017	10,996,771
84.XXX	Other Department of Education Programs	20100		ED-08-CO-0075	141,537	321,738
Nonmonetary Assistance:						
84.XXX	American Printing House for the Blind	25300		948	\$ 92,399	\$ 119,085

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<i>Pass Through Non-State Entity:</i>						
84.116	Fund for the Improvement of Postsecondary Education	UND	Research Foundation of SUNY Plattsburgh	40-55128-1089947	\$ 291	\$ 7,069
84.120	Minority Science and Engineering Improvement	VCSU	Turtle Mountain Community College	P1102910	9,923	
84.304	Civic Education - We the People and the Cooperative Education Exchange Program	UND	Center for Civic Education	CC 10-11 5801 ND	19,413	1,822
84.304	Civic Education - We the People and the Cooperative Education Exchange Program	UND	Center for Civic Education	CC09-10 5805 ND	5,699	
84.304	Civic Education - We the People and the Cooperative Education Exchange Program	UND	Center for Civic Education	N/A	4,757	6,263
84.310	Parental Information and Resource Centers	NDSU	Pathfinders Services of ND Inc.	U310A060021-09	19,453	
84.928	National Writing Project	MISU	National Writing Project Corp	04-ND03	1,347	39,197
84.XXX	Gearing up for Kindergarten	NDSU	Cass County Extension	NDPIRC	5,729	1,768
84.XXX	Project Citizen 2010-2011	UND	Center for Civic Education	CC 10-11 5804 ND	12,072	3,560
84.XXX	Red River Valley Writing Project 2010-2011	UND	University of California Berkeley	99-ND02	20,328	23,180
<i>Total for Unclustered</i>					<u>\$ 43,776,211</u>	<u>\$ 47,286,117</u>
<i>Early Intervention Services (IDEA) Cluster</i>						
<i>Direct Programs:</i>						
84.181	Special Education-Grants for Infants and Families	32500			\$ 2,013,605	\$ 2,387,425
84.393	ARRA - Special Education - Grants for Infants and Families, Recovery Act	32500			887,472	531,182
<i>Total for Early Intervention Services (IDEA) Cluster</i>					<u>\$ 2,901,077</u>	<u>\$ 2,918,607</u>
<i>Education of Homeless Children and Youth Cluster</i>						
<i>Direct Programs:</i>						
84.196	Education for Homeless Children and Youth	20100			\$ 136,603	\$ 191,430
84.387	ARRA - Education for Homeless Children and Youth, Recovery Act	20100			88,123	
<i>Total for Education of Homeless Children and Youth Cluster</i>					<u>\$ 224,726</u>	<u>\$ 191,430</u>
<i>Educational Technology State Grants Cluster</i>						
<i>Direct Programs:</i>						
84.318	Educational Technology State Grants	20100			\$ 674,242	\$ 442,330
84.386	ARRA - Education Technology State Grants, Recovery Act	20100			1,395,601	1,088,347
<i>Total for Educational Technology State Grants Cluster</i>					<u>\$ 2,069,843</u>	<u>\$ 1,530,677</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<i>Independent Living Services for Older Individuals Who Are Blind Cluster</i>						
Direct Programs:						
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	32500			\$ 222,639	\$ 238,655
<i>Total for Independent Living Services for Older Individuals Who Are Blind Cluster</i>					<u>\$ 222,639</u>	<u>\$ 238,655</u>
<i>Independent Living State Grants Cluster</i>						
Direct Programs:						
84.169	Independent Living - State Grants	32500			\$ 373,433	\$ 182,014
84.398	ARRA - Independent Living State Grants, Recovery Act	32500			240,955	1,958
<i>Total for Independent Living State Grants Cluster</i>					<u>\$ 614,388</u>	<u>\$ 183,972</u>
<i>School Improvement Grants Cluster</i>						
Direct Programs:						
84.377	School Improvement Grants	20100			\$	\$ 401,227
84.388	ARRA - School Improvement Grants, Recovery Act	20100			2,707,007	3,421,155
<i>Total for School Improvement Grants Cluster</i>					<u>\$ 2,707,007</u>	<u>\$ 3,822,382</u>
<i>Special Education Cluster (IDEA)</i>						
Direct Programs:						
84.027	Special Education - Grants to States	LRSC			\$ 11,365	\$ 7,766
84.027	Special Education - Grants to States	20100			23,190,948	26,844,392
84.173	Special Education - Preschool Grants	20100			764,034	734,765
84.391	ARRA - Special Education - Grants to States, Recovery Act	20100			10,444,496	3,690,541
84.392	ARRA - Special Education - Preschool Grants, Recovery Act	20100			366,656	186,922
<i>Total for Special Education Cluster (IDEA)</i>					<u>\$ 34,777,499</u>	<u>\$ 31,464,386</u>
<i>State Fiscal Stabilization Fund Cluster</i>						
Direct Programs:						
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	10100			\$ 8,987,665	\$ 3,863,282
<i>Total for State Fiscal Stabilization Fund Cluster</i>					<u>\$ 8,987,665</u>	<u>\$ 3,863,282</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<i>Statewide Data Systems Cluster</i>						
Direct Programs:						
84.372	Statewide Data Systems		20100		\$ 919,590	\$ 2,132,072
<i>Total for Statewide Data Systems Cluster</i>					<u>\$ 919,590</u>	<u>\$ 2,132,072</u>
<i>Student Financial Assistance Cluster</i>						
Direct Programs:						
84.007	Federal Supplemental Educational Opportunity Grants		WSC		\$ 20,850	\$ 19,690
84.007	Federal Supplemental Educational Opportunity Grants		NDSCS		179,200	145,068
84.007	Federal Supplemental Educational Opportunity Grants		NDSU		752,791	711,390
84.007	Federal Supplemental Educational Opportunity Grants		DCB		36,200	36,784
84.007	Federal Supplemental Educational Opportunity Grants		BSC		85,430	79,317
84.007	Federal Supplemental Educational Opportunity Grants		DSU		94,400	97,403
84.007	Federal Supplemental Educational Opportunity Grants		VCSU		85,303	103,164
84.007	Federal Supplemental Educational Opportunity Grants		MASU		74,045	54,921
84.007	Federal Supplemental Educational Opportunity Grants		MISU		108,374	124,566
84.007	Federal Supplemental Educational Opportunity Grants		LRSC		18,600	24,900
84.007	Federal Supplemental Educational Opportunity Grants		UND		790,846	794,670
84.033	Federal Work-Study Program		LRSC		47,194	28,171
84.033	Federal Work-Study Program		DCB		32,950	51,368
84.033	Federal Work-Study Program		MASU		55,648	77,442
84.033	Federal Work-Study Program		WSC		23,540	28,297
84.033	Federal Work-Study Program		DSU		189,009	175,845
84.033	Federal Work-Study Program		BSC		100,162	86,164
84.033	Federal Work-Study Program		NDSU		470,432	485,632
84.033	Federal Work-Study Program		MISU		165,141	154,229
84.033	Federal Work-Study Program		UND		1,102,112	921,888
84.033	Federal Work-Study Program		NDSCS		122,097	148,668
84.033	Federal Work-Study Program		VCSU		73,191	51,925
84.037	Perkins Loan Cancellations		VCSU		23,855	14,563
84.037	Perkins Loan Cancellations		MISU			76,138

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
84.037	Perkins Loan Cancellations	BSC			10,914	13,280
84.037	Perkins Loan Cancellations	NDSU				105,023
84.037	Perkins Loan Cancellations	MASU			26,717	29,742
84.037	Perkins Loan Cancellations	NDSCS				22,824
84.037	Perkins Loan Cancellations	WSC				11,845
84.037	Perkins Loan Cancellations	UND			528,957	516,954
84.037	Perkins Loan Cancellations	DSU			18,053	19,671
84.037	Perkins Loan Cancellations	DCB			11,981	5,099
84.037	Perkins Loan Cancellations	LRSC				22,124
84.063	Federal Pell Grant Program	DSU			2,532,420	2,076,283
84.063	Federal Pell Grant Program	LRSC			1,406,801	1,416,932
84.063	Federal Pell Grant Program	MISU			4,087,700	3,392,471
84.063	Federal Pell Grant Program	BSC			4,923,631	4,671,717
84.063	Federal Pell Grant Program	DCB			1,260,254	1,145,222
84.063	Federal Pell Grant Program	NDSU			11,773,328	10,508,392
84.063	Federal Pell Grant Program	UND			10,199,116	9,881,344
84.063	Federal Pell Grant Program	VCSU			1,326,659	1,217,665
84.063	Federal Pell Grant Program	WSC			1,033,695	916,951
84.063	Federal Pell Grant Program	NDSCS			3,819,518	4,016,508
84.063	Federal Pell Grant Program	MASU			1,361,292	1,191,748
84.375	Academic Competitiveness Grants	VCSU			50,475	
84.375	Academic Competitiveness Grants	BSC			75,314	
84.375	Academic Competitiveness Grants	WSC			16,891	
84.375	Academic Competitiveness Grants	NDSU			625,065	
84.375	Academic Competitiveness Grants	DCB			25,237	
84.375	Academic Competitiveness Grants	DSU			38,471	
84.375	Academic Competitiveness Grants	LRSC			22,250	
84.375	Academic Competitiveness Grants	NDSCS			34,525	
84.375	Academic Competitiveness Grants	MASU			32,080	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
84.375	Academic Competitiveness Grants	MISU			42,503	
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	MASU			24,000	
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	NDSU			652,208	
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	DSU			51,468	
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	VCSU			28,000	
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	MISU			51,459	
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	UND			696,552	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UND			127,472	139,000
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	MISU			130,000	91,500
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	MASU			48,000	54,500
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	DSU			4,000	16,000
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	NDSU			27,500	36,800
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	VCSU			9,180	18,500
<i>Total for Student Financial Assistance Cluster</i>					<u>\$ 51,785,056</u>	<u>\$ 46,030,298</u>
<i>Title I, Part A Cluster</i>						
Direct Programs:						
84.010	Title I Grants to Local Educational Agencies	20100			\$ 35,127,001	\$ 35,286,386
84.389	ARRA - Title I Grants to Local Educational Agencies, Recovery Act	20100			11,937,127	5,550,529
<i>Total for Title I, Part A Cluster</i>					<u>\$ 47,064,128</u>	<u>\$ 40,836,915</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<i>TRIO Cluster</i>						
Direct Programs:						
84.042	TRIO - Student Support Services	LRSC			\$ 237,243	\$ 266,600
84.042	TRIO - Student Support Services	UND			300,913	311,999
84.042	TRIO - Student Support Services	DSU			271,079	288,388
84.042	TRIO - Student Support Services	NDSU			440,284	431,375
84.042	TRIO - Student Support Services	MISU			132,772	256,707
84.044	TRIO - Talent Search	UND			434,030	392,948
84.047	TRIO - Upward Bound	UND			436,000	381,172
84.047	TRIO - Upward Bound	NDSU			594,803	545,455
84.066	TRIO - Educational Opportunity Centers	UND			360,257	341,198
84.217	TRIO - McNair Post-Baccalaureate Achievement	NDSU			265,143	223,529
84.217	TRIO - McNair Post-Baccalaureate Achievement	UND			241,788	235,529
<i>Total for TRIO Cluster</i>					<u>\$ 3,714,312</u>	<u>\$ 3,674,900</u>
<i>Vocational Rehabilitation Cluster</i>						
Direct Programs:						
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	32500			\$ 13,071,702	\$ 12,122,129
84.390	ARRA - Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act	32500			1,312,493	
<i>Total for Vocational Rehabilitation Cluster</i>					<u>\$ 14,384,195</u>	<u>\$ 12,122,129</u>
<b>Total For Department Of Education</b>					<u><b>\$ 214,148,336</b></u>	<u><b>\$ 196,295,822</b></u>
<b>Department Of Energy</b>						
<i>Unclustered</i>						
Direct Programs:						
81.041	ARRA - State Energy Program	60100			\$ 5,912,839	\$ 14,448,308
81.041	State Energy Program	60100			153,807	164,519
81.042	ARRA - Weatherization Assistance for Low-Income Persons	60100			9,873,490	6,184,507
81.042	Weatherization Assistance for Low-Income Persons	60100			1,361	1,490,176

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					2011	2012
81.087	Renewable Energy Research and Development	UND			395,854	3,212,540
81.089	Fossil Energy Research and Development	UND			308,896	368
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	40800			115,614	106,732
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	BSC			85,294	114,252
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	60100			91,743	40,717
81.122	Electricity Delivery and Energy Reliability, Research, Development and Analysis	BSC			2,183,849	1,417,319
81.127	ARRA - Energy Efficient Appliance Rebate Program (EEARP)	60100			4,552	
81.128	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	60100			4,060,398	3,175,619
81.XXX	State Heating Oil & Propane (SHOPP)	60100		EI38100	567	
81.XXX	Wind Technician Occupational Safety and Health Course	LRSC		DE-EE0003550	63,667	1,211
Pass Through Non-State Entity:						
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	BSC	Council for Adult and Experiential Learning	OE 0000450	\$ 31,441	\$ 19,969
<i>Total for Unclustered</i>					<u>\$ 23,283,372</u>	<u>\$ 30,376,237</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
81.049	Office of Science Financial Assistance Program	UND			\$ 1,015,252	\$ 2,178,802
81.049	Office of Science Financial Assistance Program	NDSU			661,106	232,859
81.087	ARRA - Renewable Energy Research and Development	UND			187,814	683,502
81.087	Renewable Energy Research and Development	UND			2,442,816	1,399,117
81.087	Renewable Energy Research and Development	NDSU			3,453,894	2,572,919
81.089	ARRA - Fossil Energy Research and Development	UND			64,530	
81.089	Fossil Energy Research and Development	UND			18,175,004	20,296,108
81.112	Stewardship Science Grant Program	NDSU			1,453,404	1,279,680
81.133	ARRA - Geologic Sequestration Training and Research Grant Program	UND			94,411	96,728
81.133	ARRA - Geologic Sequestration Training and Research Grant Program	NDSU			150,775	68,381

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					2011	2012
81.XXX	Contribution to the Development of DOE ARM Climate Best Estimate Data(CMBE) Products	UND		DE-AC52-07NA27344	50,485	62,874
Pass Through Non-State Entity:						
81.049	Office of Science Financial Assistance Program	UND	Envergenx LLC	N/A	\$ 38,226	\$
81.079	Regional Biomass Energy Programs	NDSU	South Dakota State University	3TG147	34,686	
81.079	Regional Biomass Energy Programs	NDSU	South Dakota State University	3TN160 / DE-FG36-08G	20,305	24,402
81.079	Regional Biomass Energy Programs	NDSU	South Dakota State University	3TR160 - DE-FG36-08G	25,897	1,451
81.087	ARRA - Renewable Energy Research and Development	UND	Arizona Geological Survey	NE-EE0002850	3,231	66,992
81.087	ARRA - Renewable Energy Research and Development	UND	Southern Methodist University	G001011-7525	17,653	73,947
81.087	Renewable Energy Research and Development	NDSU	Consortium for Plant Biotechnology	G012026-293 - DE-FG3	3,844	
81.087	Renewable Energy Research and Development	NDSU	South Dakota State University	3TG147		29,845
81.087	Renewable Energy Research and Development	UND	United Technologies Research Center	DE-FG36-05GO15042	37,583	
81.087	Renewable Energy Research and Development	UND	University of Minnesota	A001530501		38,163
81.089	ARRA - Fossil Energy Research and Development	UND	Alcoa Technology	400136170	14,578	225,393
81.089	ARRA - Fossil Energy Research and Development	UND	University of Utah	10015126	693	
81.089	Fossil Energy Research and Development	UND	Air Products and Chemicals, Inc.	210-493-P-A		226,397
81.089	Fossil Energy Research and Development	UND	Center for Inorganic Membrane Studies	N/A		47,546
81.089	Fossil Energy Research and Development	UND	ION Engineering	N/A		22,077
81.089	Fossil Energy Research and Development	UND	Neumann Systems Group, Inc.	N/A		2,391
81.089	Fossil Energy Research and Development	UND	Praxair Inc.	N/A		44,207
81.089	Fossil Energy Research and Development	UND	United Technologies Research Center	2601199	19,127	367,952
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	NDSU	University of Minnesota	A000211527	1,149	7,111
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	UND	University of Minnesota	A000211562		1,283
81.134	Industrial Carbon Capture and Storage (CCS) Application	UND	Eltron Research & Development, Inc.	N/A		202,273
81.XXX	Acid Gas Interactions with Seal Materials	UND	URS Energy and Construction Inc.	RES1100369	30,202	
81.XXX	Advanced Water Power	NDSU	Sandia National Laboratories	PO 1080579	20,114	65,520
81.XXX	ARRA - Acid Gas Interactions with Seal Materials -ARRA	UND	URS Energy and Construction Inc.	RES1100369	2,427	83,945
81.XXX	Assessment of Corrosion Protection Systems for Magnesium	NDSU	US Automotive Materials	11-2639-AMP	2,793	45,588

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					2011	2012
81.XXX	Avian Diagnostic and Therapeutic Antibodies to Viral Emerging Pathogens	UND	UND Research Foundation	Prime DE-F-G02-08ER64713	84,350	
81.XXX	Enhanced Oil Recovery from the Bakken Shale Using Surfactant Imbibition Coupled with Gravity Drainage	UND	Yes Partnership to Secure Energy	09123-09		182,375
81.XXX	Nanomaterial Based Electrochem	NDSU	Battelle	110172	202	
81.XXX	Optimization of in Vitro Biofilm	NDSU	Sandia National Laboratories	PO 1104410	1,402	
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 28,107,953</u>	<u>\$ 30,629,828</u>
<b>Total For Department Of Energy</b>					<u><b>\$ 51,391,325</b></u>	<u><b>\$ 61,006,065</b></u>
<b>Department Of Health And Human Services</b>						
<i>Unclustered</i>						
Direct Programs:						
93.041	Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	32500			\$	\$ 5,946
93.042	Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	32500				26,881 36,451
93.043	Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	32500				104,749 99,125
93.047	Special Programs for the Aging - Title VI, Part A, Grants to Indian Tribes - Part B, Grants to Native Hawaiians	UND				1,172
93.048	Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	32500				157,252 208,982
93.048	Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	UND				367,223 449,047
93.048	Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	MISU				187,599 242,773
93.052	National Family Caregiver Support, Title III, Part E	32500				710,075 646,169
93.069	Public Health Emergency Preparedness	30100				7,221,436 4,867,378
93.089	Emergency System for Advance Registration of Volunteer Health Professionals	30100				50,822 59,432
93.110	Maternal and Child Health Federal Consolidated Programs	MISU				302,098 152,622
93.110	Maternal and Child Health Federal Consolidated Programs	30100				250,717 158,562
93.113	Environmental Health	UND				41,202
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	30100				172,633 168,612

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
93.124	Nurse Anesthetist Traineeships	UND			10,892	11,385
93.127	Emergency Medical Services for Children	30100			92,686	130,036
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	30100			144,926	175,783
93.136	Injury Prevention and Control Research and State and Community Based Programs	30100			192,216	164,449
93.138	Protection and Advocacy for Individuals with Mental Illness	36000			373,949	424,716
93.150	Projects for Assistance in Transition from Homelessness (PATH)	32500			265,353	292,532
93.155	Rural Health Research Centers	UND			106,653	149,410
93.178	Nursing Workforce Diversity	UND			110,122	246,573
93.184	Disabilities Prevention	MISU			195,025	197,022
93.191	Graduate Psychology Education Program and Patient Navigator and Chronic Disease Prevention Program	UND			83,683	223,006
93.210	Tribal Self-Governance Program: IHS Compacts/Funding Agreements	UND			51,450	
93.217	Family Planning - Services	30100			1,178,976	1,098,231
93.223	Development and Coordination of Rural Health Services	UND			1,086,737	1,382,565
93.234	Traumatic Brain Injury State Demonstration Grant Program	32500			48,598	
93.235	Affordable Care Act (ACA) Abstinence Education Program	30100			200,123	
93.241	State Rural Hospital Flexibility Program	UND			646,953	771,326
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	30100			191,713	
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	32500			19,887	85,646
93.247	Advanced Nursing Education Grant Program	UND			157,602	196,621
93.247	Advanced Nursing Education Grant Program	NDSU				128,702
93.251	Universal Newborn Hearing Screening	MISU			331,566	304,481
93.267	State Grants for Protection and Advocacy Services	36000			65,377	38,946
93.270	Adult Viral Hepatitis Prevention and Control	30100			51,804	73,196
93.283	The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	30100			4,994,462	5,253,847
93.283	The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	MISU			154,022	194,781

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
93.296	State Partnership Grant Program to Improve Minority Health	30100			123,841	132,940
93.300	National Center for Health Workforce Analysis	UND			791,091	582,621
93.301	Small Rural Hospital Improvement Grant Program	UND			297,925	183,028
93.358	Advanced Education Nursing Traineeships	NDSU			26,906	17,833
93.358	Advanced Education Nursing Traineeships	UND			36,940	48,183
93.411	ARRA - Equipment to Enhance Training for Health Professionals	UND			249,439	
93.414	ARRA - State Primary Care Offices	30100			30,223	47,564
93.509	Affordable Care Act (ACA) State Health Care Workforce Development Grants	UND			74,935	61,320
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	40100			18,808	43,106
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements;PPHF	30100				162,841
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	40100				231,978
93.531	PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds	30100				93,062
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Coordinated Chronic Disease prevention and Health Promotion Program	30100				157,202
93.556	Promoting Safe and Stable Families	32500			681,103	488,910
93.563	ARRA - Child Support Enforcement	32500			1,921,552	
93.563	Child Support Enforcement	32500			7,934,129	9,813,082
93.564	Child Support Enforcement Research	32500			31,860	
93.566	Refugee and Entrant Assistance - State Administered Programs	32500			1,381,492	1,192,670
93.568	Low-Income Home Energy Assistance	32500			19,249,011	15,003,024
93.576	Refugee and Entrant Assistance - Discretionary Grants	32500			93,222	
93.583	Refugee and Entrant Assistance - Wilson/Fish Program	32500			395,824	
93.584	Refugee and Entrant Assistance - Targeted Assistance Grants	32500			75,916	
93.586	State Court Improvement Program	18000			274,472	246,348

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
93.590	Community-Based Child Abuse Prevention Grants	32500			345,323	347,697
93.597	Grants to States for Access and Visitation Programs	32500			102,351	65,873
93.599	Chafee Education and Training Vouchers Program (ETV)	32500			104,229	68,670
93.617	Voting Access for Individuals with Disabilities - Grants to States	10800			292,736	6,392
93.618	Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems	36000			58,320	37,650
93.630	Developmental Disabilities Basic Support and Advocacy Grants	36000			359,059	333,816
93.630	Developmental Disabilities Basic Support and Advocacy Grants	32500			517,320	380,671
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	MISU			538,611	534,369
93.643	Children's Justice Grants to States	32500			75,687	75,620
93.645	Stephanie Tubbs Jones Child Welfare Services Program	32500			350,787	582,582
93.647	Social Services Research and Demonstration	NDSU				143,947
93.647	Social Services Research and Demonstration	MISU			354,831	1,106
93.658	ARRA - Foster Care - Title IV-E	32500			589,296	530
93.658	Foster Care - Title IV-E	32500			10,074,007	10,606,847
93.659	Adoption Assistance	32500			5,003,685	5,149,078
93.659	ARRA - Adoption Assistance	32500			446,436	1,634
93.667	Social Services Block Grant	32500			3,549,983	3,566,248
93.669	Child Abuse and Neglect State Grants	32500			232,379	18,743
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	30100			743,457	760,291
93.674	Chafee Foster Care Independence Program	32500			527,137	464,902
93.701	ARRA - Trans-NIH Recovery Act Research Support	UND			15,419	
93.717	ARRA - Preventing Healthcare-Associated Infections	30100			95,317	70,955
93.719	ARRA - State Grants to Promote Health Information Technology	11200			147,900	464,379
93.723	ARRA - Prevention and Wellness-State, Territories and Pacific Islands	30100			191,347	139,609
93.767	Children's Health Insurance Program	32500			15,711,389	16,768,762
93.768	Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	MISU			687,658	455,550
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	40100			238,297	236,162

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					2011	2012
93.790	Alternate Non-Emergency Service Providers or Networks	32500			207,925	
93.791	Money Follows the Person Rebalancing Demonstration	32500			1,696,929	3,069,447
93.824	Area Health Education Centers Infrastructure Development Awards	UND			662,191	655,824
93.866	Aging Research	UND			21,671	
93.884	Grants for Primary Care Training and Enhancement	UND			209,037	177,807
93.888	Specially Selected Health Projects	MISU			348,693	441,546
93.888	Specially Selected Health Projects	NDSU			190,346	8,401
93.889	National Bioterrorism Hospital Preparedness Program	30100			1,310,919	911,098
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	MISU			169,911	
93.913	Grants to States for Operation of Offices of Rural Health	UND			184,887	167,658
93.917	HIV Care Formula Grants	30100			854,976	1,288,617
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	20100			642,285	585,242
93.940	HIV Prevention Activities - Health Department Based	30100			770,624	719,834
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	30100			72,125	63,097
93.958	Block Grants for Community Mental Health Services	32500			711,058	912,500
93.959	Block Grants for Prevention and Treatment of Substance Abuse	32500			4,749,010	4,823,845
93.970	Health Professions Recruitment Program for Indians	UND			1,198,382	1,330,309
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	30100			256,840	265,431
93.991	Preventive Health and Health Services Block Grant	30100			227,948	234,357
93.994	Maternal and Child Health Services Block Grant to the States	30100			1,654,603	2,046,771
93.XXX	Medicated Feeds	60200		HHSF223200940351P	9,074	
93.XXX	Medicated Feeds	60200		HHSF223201011560P		58,312
93.XXX	MQSA Inspections	30100		HHSF223200840132C	64,473	49,036
93.XXX	Tissue Residue	60200		HHSF223200940008I	6,221	
93.XXX	Tissue Residue	60200		HHSF223201000040I		7,987

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
Nonmonetary Assistance:						
93.XXX	Division of Strategic National Stockpile	30100		N/A	\$	\$ 193
Pass Through Non-State Entity:						
93.010	Community-Based Abstinence Education (CBAE)	NDSU	First Choice Clinic	HHS/FCC	\$	\$ 28,369 9,797
93.155	Rural Health Research Centers	UND	National Rural Health Assn.	I UA9RH19333-01-00		19,274
93.155	Rural Health Research Centers	UND	National Rural Health Assn.	N/A	35,699	89,762
93.184	Disabilities Prevention	MISU	Christopher & Dana Reeve Foundation	N/A		10,000
93.211	Telehealth Programs	NDSU	Avera Health Center	HHS/AHC	4,288	25,703
93.211	Telehealth Programs	NDSU	University of Minnesota	P001007401	6,273	28,241
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	UND	Cankdeska Cikana Community College	N/A	638	
93.262	Occupational Safety and Health Program	LRSC	Colorado State University	G-4620-2	387	19,716
93.262	Occupational Safety and Health Program	30100	University of Minnesota Occupational Health	T42OH008434		8,701
93.283	The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	30100	National Assoc of County & City Health Officials	2011-121514		5,677
93.307	Minority Health and Health Disparities Research	UND	University of South Dakota	SR-2010-8	193	
93.399	Cancer Control	UND	Mayo Clinic	N/A	59	
93.576	Refugee and Entrant Assistance - Discretionary Grants	20100	Lutheran Social Services of North Dakota	N/A	37,531	170,481
93.605	Family Connection Grants	UND	The Village Family Service Center	1-004		15,649
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	MISU	Association of University Centers on Dis	890	10,850	
93.648	Child Welfare Research Training or Demonstration	UND	University of Denver	0096038	19,712	
93.648	Child Welfare Research Training or Demonstration	MISU	University of Denver	SC36669A-02-00	23,871	
93.648	Child Welfare Research Training or Demonstration	MISU	University of Denver	SC36793A-02-00	22,576	13,576
93.648	Child Welfare Research Training or Demonstration	UND	University of Denver	SC36793A-04-00	42,290	20,631
93.648	Child Welfare Research Training or Demonstration	MISU	University of Denver	SC36908A-02-00		30,500
93.648	Child Welfare Research Training or Demonstration	UND	University of Denver Butler Institute	PO111174		41,588
93.701	ARRA - Trans-NIH Recovery Act Research Support	UND	University of South Dakota	SR2010-21	66,767	
93.718	Health Information Technology Regional Extension Centers Program	UND	Stratis Health	90RC0021/01	91,506	49,636
93.721	ARRA - Health Information Technology Professionals in Health Care	LRSC	Bellevue College, Bellevue, WA	90CC007701	323,283	298,445

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					2011	2012
93.865	Child Health and Human Development Extramural Research	UND	University of South Dakota	SR2010-16	4,536	
93.865	Child Health and Human Development Extramural Research	UND	University of South Dakota	SR2011-2	179,313	32,649
93.865	Child Health and Human Development Extramural Research	UND	University of South Dakota	SR-2012-09		269,414
93.879	Medical Library Assistance	UND	National Network of Libraries	2010-06621-03-00		721
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	UND	Nelson County Health System	N/A	57,234	78,148
93.XXX	Montana National Laboratory Science Grant	30100	MT Dept of Public HHS	HM06-605	4,075	2,351
93.XXX	Other Department of Health and Human Services Programs	20100	Society of State Directors of Health, Physical Ed	3011-3013	6,901	
<i>Total for Unclustered</i>					<u>\$ 112,535,561</u>	<u>\$ 107,525,322</u>
<i>Aging Cluster</i>						
Direct Programs:						
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	32500			\$ 1,560,320	\$ 1,844,675
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	30100				23,929
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	32500			3,568,469	3,038,402
93.053	Nutrition Services Incentive Program	32500			828,175	812,730
<i>Total for Aging Cluster</i>					<u>\$ 5,956,964</u>	<u>\$ 5,719,736</u>
<i>CCDF Cluster</i>						
Direct Programs:						
93.575	Child Care and Development Block Grant	32500			\$ 4,381,986	\$ 3,760,870
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	32500			6,987,189	4,555,940
93.713	ARRA - Child Care and Development Block Grant	32500			2,582,607	556,644
<i>Total for CCDF Cluster</i>					<u>\$ 13,951,782</u>	<u>\$ 8,873,454</u>
<i>CSBG Cluster</i>						
Direct Programs:						
93.569	Community Services Block Grant	60100			\$ 3,434,198	\$ 3,287,110
93.710	ARRA - Community Services Block Grant	60100			812,751	
<i>Total for CSBG Cluster</i>					<u>\$ 4,246,949</u>	<u>\$ 3,287,110</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<i>Head Start Cluster</i>						
Direct Programs:						
93.600	Head Start	32500			\$ 111,829	\$ 138,320
93.600	Head Start	MASU			1,434,268	1,699,597
93.708	ARRA - Head Start	MASU			15,342	
93.709	ARRA - Early Head Start	MASU			1,232,155	260,506
<i>Total for Head Start Cluster</i>					<u>\$ 2,793,594</u>	<u>\$ 2,098,423</u>
<i>Immunization Cluster</i>						
Direct Programs:						
93.268	Immunization Cooperative Agreements	30100			\$ 1,320,005	\$ 1,257,707
93.712	ARRA - Immunization	30100			382,474	170,792
<i>Total for Immunization Cluster</i>					<u>\$ 1,702,479</u>	<u>\$ 1,428,499</u>
<i>Medicaid Cluster</i>						
Direct Programs:						
93.720	ARRA - Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative	30100			\$ 12,743	\$
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	32500			802,190	863,043
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	30100			1,450,809	1,617,702
93.778	ARRA - Medical Assistance Program	32500			47,522,537	
93.778	Medical Assistance Program	32500			462,955,905	441,036,783
<i>Total for Medicaid Cluster</i>					<u>\$ 512,744,184</u>	<u>\$ 443,517,528</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
93.113	Environmental Health	NDSU			\$ 21,385	\$
93.113	Environmental Health	UND			336,645	308,564
93.121	Oral Diseases and Disorders Research	UND			218,020	282,988
93.155	Rural Health Research Centers	UND			266,510	309,013
93.242	Mental Health Research Grants	UND			276,372	337,382

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					2011	2012
93.273	Alcohol Research Programs	MISU			12,509	
93.273	Alcohol Research Programs	NDSU			106,441	200,075
93.273	Alcohol Research Programs	UND			554,336	324,341
93.279	Drug Abuse and Addiction Research Programs	UND			468,166	517,216
93.301	Small Rural Hospital Improvement Grant Program	UND				100,035
93.389	National Center for Research Resources	NDSU			3,444,018	4,090,781
93.389	National Center for Research Resources	UND			5,043,097	4,682,480
93.393	Cancer Cause and Prevention Research	NDSU			23,745	778
93.394	Cancer Detection and Diagnosis Research	NDSU			51,787	48,142
93.395	Cancer Treatment Research	NDSU			461,896	397,326
93.395	Cancer Treatment Research	UND			21,297	18,983
93.396	Cancer Biology Research	NDSU			81,475	93,073
93.701	ARRA - Trans-NIH Recovery Act Research Support	NDSU			1,639,125	508,675
93.701	ARRA - Trans-NIH Recovery Act Research Support	UND			300,458	139,806
93.837	Cardiovascular Diseases Research	NDSU			13,152	66,259
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	NDSU				59,957
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	NDSU			3,727	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	UND			138,257	268,484
93.855	Allergy, Immunology and Transplantation Research	UND			111,177	291,966
93.855	Allergy, Immunology and Transplantation Research	NDSU			118,791	338,809
93.859	Biomedical Research and Research Training	UND			54,935	98,041
93.859	Biomedical Research and Research Training	NDSU			23,323	
93.865	Child Health and Human Development Extramural Research	NDSU			3,893	
93.866	Aging Research	NDSU				41,000
93.866	Aging Research	UND			208,423	135,107
93.887	Health Care and Other Facilities	UND			1,463,307	
Pass Through Non-State Entity:						
93.070	Environmental Public Health and Emergency Response	UND	Montana Dept. of Pub Health and Human Svc	08-07-3-01-058-0	\$ 25,216	\$ 26,249

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					2011	2012
93.143	NIEHS Superfund Hazardous Substances - Basic Research and Education	UND	Edenspace Systems Corporation	N/A	32,838	
93.155	Rural Health Research Centers	UND	University of Minnesota	P000590401	51,242	35,497
93.213	Research and Training in Complementary and Alternative Medicine	UND	Montana State University	G135-12-W3666		8,518
93.242	Mental Health Research Grants	UND	Johns Hopkins University	2000312971	15,878	
93.262	Occupational Safety and Health Program	NDSU	University of Nebraska Medical Center	34-5420-2002-201		592
93.273	Alcohol Research Programs	UND	Johns Hopkins University	2000312992	3,197	
93.273	Alcohol Research Programs	UND	University of Illinois - Chicago	2008-06660-02-01-		63,639
93.273	Alcohol Research Programs	UND	University of Illinois - Chicago	NONR	35,957	
93.283	The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	UND	Montana Dept. of Pub Health and Human Svc	5U58DP001977		60,895
93.283	The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	UND	Montana Dept. of Pub Health and Human Svc	N/A	55,985	
93.361	Nursing Research	NDSU	University of Minnesota	P654617801	28,250	13,187
93.389	National Center for Research Resources	NDSU	WOWIWE Instruction Company	NIH-2R44RR024779-02A	33,737	150,519
93.389	National Center for Research Resources	NDSU	WOWIWE Instruction Company	RR024779-NDSU	1,567	
93.701	ARRA - Trans-NIH Recovery Act Research Support	UND	Duquesne University	G1000008	50,334	8,029
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	UND	University of Pittsburgh	115090-1	12,036	6,153
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	UND	Trinity College	1R01NS065957-01A2		127,583
93.855	Allergy, Immunology and Transplantation Research	NDSU	Lynntech, Inc.	2011-NIH-671-0001		24,402
93.855	Allergy, Immunology and Transplantation Research	NDSU	University of Utah	10012625-NDSU	41,882	29,285
93.855	Allergy, Immunology and Transplantation Research	NDSU	University of Utah	10017972-NDSU	969	65,044
93.856	Microbiology and Infectious Diseases Research	NDSU	Lynntech, Inc.	2010-NIH73811-0003	2,861	
93.XXX	Eating for Your Eyes II - Diabetic Retinopathy	NDSU	ND Optometric Association	N/A		7,641
93.XXX	Recruitment/Retention of American Indians into Nursing (RAIN)	UND	Cankdeska Cikana Community College	Prime is 90FY0005/01	150,170	559,397
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 16,008,386</u>	<u>\$ 14,845,911</u>
<i>Student Financial Assistance Cluster</i>						
<i>Direct Programs:</i>						
93.264	Nurse Faculty Loan Program (NFLP)	UND			\$ 1,778	\$ 3,484

**STATE OF NORTH DAKOTA**  
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**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	UND				26,338
93.407	ARRA - Scholarships for Disadvantaged Students	LRSC			5,947	
93.407	ARRA - Scholarships for Disadvantaged Students	BSC			20,540	
93.407	ARRA - Scholarships for Disadvantaged Students	UND			56,458	
93.925	ARRA - Scholarships for Health Professions Students from Disadvantaged Backgrounds	LRSC			9,068	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	BSC				18,980
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	UND				54,702
<i>Total for Student Financial Assistance Cluster</i>					<u>\$ 93,791</u>	<u>\$ 103,504</u>
<i>TANF Cluster</i>						
Direct Programs:						
93.558	Temporary Assistance for Needy Families	32500			\$ 26,232,795	\$ 26,654,114
93.714	ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	32500			544,326	
<i>Total for TANF Cluster</i>					<u>\$ 26,777,121</u>	<u>\$ 26,654,114</u>
<b>Total For Department Of Health And Human Services</b>					<u><b>\$ 696,810,811</b></u>	<u><b>\$ 614,053,601</b></u>
 <b>Department Of Homeland Security</b>						
<i>Unclustered</i>						
Direct Programs:						
97.001	Pilot Demonstration or Earmarked Projects	54000			\$ 184,913	\$
97.012	Boating Safety Financial Assistance	72000			671,310	659,663
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	77000			81,215	102,700
97.029	Flood Mitigation Assistance	54000			1,148,608	77,074
97.032	Crisis Counseling	54000				780,435
97.032	Crisis Counseling	32500				604,104
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	54000			63,357,750	119,680,484

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	72000			30,033	
97.039	Hazard Mitigation Grant	54000			7,981,832	3,250,936
97.041	National Dam Safety Program	77000			68,111	95,517
97.042	Emergency Management Performance Grants	54000			2,879,765	2,583,708
97.045	Cooperating Technical Partners	77000			951,177	703,821
97.047	Pre-Disaster Mitigation	54000			808,977	446,971
97.055	Interoperable Emergency Communications	54000			26,669	49,098
97.070	Map Modernization Management Support	77000			105,471	108,272
97.073	State Homeland Security Program (SHSP)	54000			252,766	
97.074	Law Enforcement Terrorism Prevention Program (LETPP)	54000			48,043	
97.078	Buffer Zone Protection Program (BZPP)	54000			5,809	109,892
97.089	Driver's License Security Grant Program	80100			328,519	90,491
97.XXX	Administering Emergency Management Departments	NDSU		E481482N	1,881	
<i>Total for Unclustered</i>					<u>\$ 78,932,849</u>	<u>\$ 129,343,166</u>
<i>Homeland Security Cluster</i>						
Direct Programs:						
97.067	Homeland Security Grant Program	54000			\$ 6,869,454	\$ 5,521,200
97.067	Homeland Security Grant Program	12500			109,375	298,645
<i>Total for Homeland Security Cluster</i>					<u>\$ 6,978,829</u>	<u>\$ 5,819,845</u>
<i>Research &amp; Development Cluster</i>						
Pass Through Non-State Entity:						
97.061	Centers for Homeland Security	NDSU	University of Minnesota	0910602532	\$ 19,464	\$
97.061	Centers for Homeland Security	NDSU	University of Minnesota	P001955405 / 2010-ST	59,001	91,547
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 78,465</u>	<u>\$ 91,547</u>
<b>Total For Department Of Homeland Security</b>					<u><b>\$ 85,990,143</b></u>	<u><b>\$ 135,254,558</b></u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<b>Department Of Housing And Urban Development</b>						
<i>Unclustered</i>						
Direct Programs:						
14.171	Manufactured Home Dispute Resolution	60100			\$	\$ 333
14.231	Emergency Solutions Grant Program	60100				332,642 280,667
14.238	Shelter Plus Care	60100				261,841 207,032
14.239	HOME Investment Partnerships Program	60100				2,684,221 1,976,530
14.251	Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	DSU				5,114 15,146
14.257	ARRA - Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	60100				1,197,183 632,761
14.401	Fair Housing Assistance Program - State and Local	40600				72,284 50,000
14.XXX	HUD Interest Subsidy	LRSC		CH-ND-AK60(DS)		23,170 23,170
14.XXX	HUD Interest Subsidy	NDSU		HUD Fund 12100		24,408 24,408
14.XXX	Interest Subsidy Grant	UND		DEN-028		16,162
14.XXX	Interest Subsidy Grant	VCSU		DEN-032		23,714 11,898
<i>Total for Unclustered</i>						<u>\$ 4,640,739</u> <u>\$ 3,221,945</u>
<i>CDBG - State-Administered CDBG Cluster</i>						
Direct Programs:						
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	60100			\$	\$ 14,703,992 \$ 6,711,582
14.255	ARRA - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - (Recovery Act Funded)	60100				843,468 73,170
<i>Total for CDBG - State-Administered CDBG Cluster</i>						<u>\$ 15,547,460</u> <u>\$ 6,784,752</u>
<b>Total For Department Of Housing And Urban Development</b>						<u><b>\$ 20,188,199</b></u> <u><b>\$ 10,006,697</b></u>
<b>Department Of Justice</b>						
<i>Unclustered</i>						
Direct Programs:						
16.017	Sexual Assault Services Formula Program	30100			\$	\$ 229,674 \$ 167,816
16.523	Juvenile Accountability Block Grants	53000				295,500 231,751

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**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
16.527	Supervised Visitation, Safe Havens for Children	30100			134,743	3
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	53000			603,342	728,353
16.543	Missing Children's Assistance	12500			224,691	92,857
16.550	State Justice Statistics Program for Statistical Analysis Centers	12500			20,729	5,745
16.575	Crime Victim Assistance	53000			179,000	272,000
16.576	Crime Victim Compensation	53000			1,299,851	1,361,989
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	UND			21,359	2,312
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	12500			65,621	180,295
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	80100			6,994	
16.582	Crime Victim Assistance/Discretionary Grants	53000				2,402
16.582	Crime Victim Assistance/Discretionary Grants	UND			137,808	45,544
16.582	Crime Victim Assistance/Discretionary Grants	MISU			52,559	
16.588	ARRA - Violence Against Women Formula Grants	30100			439,579	
16.588	Violence Against Women Formula Grants	30100			852,106	847,004
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	30100			212,197	129,546
16.593	Residential Substance Abuse Treatment for State Prisoners	12500			23,675	4,160
16.606	State Criminal Alien Assistance Program	53000			15,760	20,210
16.607	Bulletproof Vest Partnership Program	12500			383	
16.608	Tribal Court Assistance Program	UND			1,043,267	264,427
16.609	Project Safe Neighborhoods	12500			45,644	52,335
16.710	Public Safety Partnership and Community Policing Grants	MISU			385,983	208,083
16.710	Public Safety Partnership and Community Policing Grants	12500			231,989	490,194
16.727	Enforcing Underage Drinking Laws Program	32500			412,331	254,629
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	11200			439,305	166,593
16.741	DNA Backlog Reduction Program	12500			80,194	59,785
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	12500			63,194	54,591
16.748	Convicted Offender and/or Arrestee DNA Backlog Reduction Program	12500			66,407	32,905

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
16.753	Congressionally Recommended Awards	UND			88,356	221,789
16.800	ARRA - Recovery Act - Internet Crimes against Children Task Force Program (ICAC)	12500			93,801	116,880
16.810	ARRA - Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	12500			218,292	155,311
16.812	Second Chance Act Prisoner Reentry Initiative	53000			138,450	180,404
16.813	NICS Act Record Improvement Program	12500				31,435
16.XXX	Federal Bureau of Prisons (Juvenile Inmate Housing)	53000		IGA-815-11	106,605	108,827
16.XXX	US Marshal (Juvenile Detention)	53000		1443	20,479	
Pass Through Non-State Entity:						
16.203	Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program	UND	Fox Valley Technical College	2008-WP-BX-K006	\$ 69,625	\$ 341
16.544	Youth Gang Prevention	UND	Center for Court Innovation	N/A		10,190
16.579	Edward Byrne Memorial Formula Grant Program	NDSU	Clay County Joint Powers Collaborative	0.316	357	
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	UND	Rural Crime & Justice Center	N/A		2,508
16.608	Tribal Court Assistance Program	UND	National Judicial College	N/A	21,926	620,630
16.616	Indian Country Alcohol and Drug Prevention	UND	Fox Valley Technical College	2009-AC-BX-KO34	32,582	
16.616	Indian Country Alcohol and Drug Prevention	UND	Fox Valley Technical College	FV 2010AC-BX-K001	6,105	43,802
16.616	Indian Country Alcohol and Drug Prevention	UND	Fox Valley Technical College	N/A		2,708
16.731	Tribal Youth Program	NDSU	National 4-H Council	N/A		35,200
16.758	Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	UND	National Children's Alliance	MINO-ND-PDE11		30,000
16.808	ARRA - Recovery Act - Edward Byrne Memorial Competitive Grant Program	NDSU	Public/Private Venture	Subcontract 10137	183,522	189,103
16.XXX	Northern Plains Children's Advocacy Center - DOJ Earmark Allocation	UND	Red River Children's Advocacy Center	Prime 2008-JL-FX-K229	46,087	
16.XXX	Survey Development for Violence Against Women Act Grant	UND	Community Violence Intervention Center	Prime 2004-WEAX-0048	19,939	
<i>Total for Unclustered</i>					<u>\$ 8,630,011</u>	<u>\$ 7,424,657</u>
<i>JAG Program Cluster</i>						
Direct Programs:						
16.738	Edward Byrne Memorial Justice Assistance Grant Program	12500			\$ 535,690	\$ 536,017

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
16.803	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	12500			957,241	547,011
<i>Total for JAG Program Cluster</i>					<u>\$ 1,492,931</u>	<u>\$ 1,083,028</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	NDSU			\$ 1,040	\$
Pass Through Non-State Entity:						
16.523	Juvenile Accountability Block Grants	NDSU	Dakota Boys and Girls Ranch	2010-JL-FX-0555	\$	\$ 19,598
16.579	Edward Byrne Memorial Formula Grant Program	NDSU	Clay County Joint Powers Collaborative	N/A	2,757	
16.726	Juvenile Mentoring Program	NDSU	National 4-H Council	2010-JU-FX-0016	44,754	37,077
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 48,551</u>	<u>\$ 56,675</u>
<b>Total For Department Of Justice</b>					<u><b>\$ 10,171,493</b></u>	<u><b>\$ 8,564,360</b></u>
 <b>Department Of Labor</b>						
<i>Unclustered</i>						
Direct Programs:						
17.235	ARRA - Senior Community Service Employment Program	32500			\$ 73,314	\$
17.235	Senior Community Service Employment Program	32500			1,003,092	596,710
17.261	WIA Pilots, Demonstrations, and Research Projects	MISU			389,635	82,101
17.261	WIA Pilots, Demonstrations, and Research Projects	BSC			150,991	
17.267	Incentive Grants - WIA Section 503	20100				504,361
17.504	Consultation Agreements	BSC			295,814	337,727
17.600	Mine Health and Safety Grants	27000			71,518	65,564
<i>Total for Unclustered</i>					<u>\$ 1,984,364</u>	<u>\$ 1,586,463</u>
<b>Total For Department Of Labor</b>					<u><b>\$ 1,984,364</b></u>	<u><b>\$ 1,586,463</b></u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES			
					2011	2012		
<b>Department Of State</b>								
<i>Unclustered</i>								
Direct Programs:								
19.700	General Department of State Assistance	UND			\$	\$ 52,165		
Pass Through Non-State Entity:								
19.009	Academic Exchange Programs - Undergraduate Programs	UND	International Research & Exchanges Board	S-ECAAE-09-CA-036	\$	\$ 1,693		
19.009	Academic Exchange Programs - Undergraduate Programs	UND	International Research & Exchanges Board	S-ECAAE-110-CA-065		445		
19.402	Professional and Cultural Exchange Programs - International Visitor Leadership Program	MISU	National Council for International Visitors	N/A	2,939			
19.408	Academic Exchange Programs - Teachers	UND	International Research & Exchanges Board	FY12TEANorthDakota01		15,678		
<i>Total for Unclustered</i>					<u>\$</u>	<u>2,939</u>	<u>\$</u>	<u>69,981</u>
<i>Research &amp; Development Cluster</i>								
Pass Through Non-State Entity:								
19.017	Environmental and Scientific Partnerships and Programs	NDSU	The National Academies	PGA-P210861	\$	17,683	\$	50,069
<i>Total for Research &amp; Development Cluster</i>					<u>\$</u>	<u>17,683</u>	<u>\$</u>	<u>50,069</u>
<b>Total For Department Of State</b>					<u>\$</u>	<u>20,622</u>	<u>\$</u>	<u>120,050</u>
<b>Department Of The Interior</b>								
<i>Unclustered</i>								
Direct Programs:								
15.224	Cultural Resource Management	MISU			\$	8,405	\$	11,294
15.224	Cultural Resource Management	70100				18,285		950
15.228	National Fire Plan - Wildland Urban Interface Community Fire Assistance	NDSU				36,166		
15.231	Fish, Wildlife and Plant Conservation Resource Management	NDSU				9,262		411
15.233	Forests and Woodlands Resource Management	NDSU				10,722		
15.237	Rangeland Resource Management	NDSU						3,817
15.242	National Fire Plan - Rural Fire Assistance	NDSU				64,490		61,127
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	40800				584,305		541,339

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
15.252	Abandoned Mine Land Reclamation (AMLR) Program	40800			1,873,905	5,345,928
15.406	National Park Service Centennial Challenge.	DSU			14,512	
15.427	Federal Oil and Gas Royalty Management	11700			400,714	427,298
15.504	Water Reclamation and Reuse Program	NDSU			25,828	4,342
15.518	Garrison Diversion Unit	72000			663,913	250,526
15.608	Fish and Wildlife Management Assistance	72000			65,048	
15.615	Cooperative Endangered Species Conservation Fund	72000			250,000	
15.615	Cooperative Endangered Species Conservation Fund	75000			23,685	19,000
15.617	Wildlife Conservation and Appreciation	72000			33,504	
15.633	Landowner Incentive Program	72000			113,382	38,557
15.634	State Wildlife Grants	72000			760,465	648,192
15.637	Migratory Bird Joint Ventures	72000			34,642	41,430
15.664	Fish and Wildlife Coordination and Assistance Programs	72000				21,104
15.808	U.S. Geological Survey - Research and Data Collection	40500				23,169
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	40500			4,179	4,199
15.904	Historic Preservation Fund Grants-In-Aid	70100			550,189	605,659
15.916	Outdoor Recreation - Acquisition, Development and Planning	75000			273,441	121,503
15.929	Save America's Treasures	70100			39,409	105,160
15.XXX	BIA -Bureau of Indian Affairs (Juvenile Detention)	53000		CMK0L070021	30,192	
Pass Through Non-State Entity:						
15.406	National Park Service Centennial Challenge.	DSU	Theodore Roosevelt National Park	H1541080018	\$	\$ 4,410
15.518	ARRA - Garrison Diversion Unit	77000	Garrison Diversion Conservancy District	6-FC-60-00210	3,390,830	8,090,450
15.518	Garrison Diversion Unit	77000	Garrison Diversion Conservancy District	6-FC-60-00210	6,126,953	8,217,185
15.815	National Land Remote Sensing_Education Outreach and Research	UND	America View	AV08-ND01	27,740	1,889
15.815	National Land Remote Sensing_Education Outreach and Research	UND	America View	AV08-ND01, Mod 5		23,800
<i>Total for Unclustered</i>					<u>\$ 15,434,166</u>	<u>\$ 24,612,739</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<i>Fish and Wildlife Cluster</i>						
Direct Programs:						
15.605	Sport Fish Restoration Program	72000			\$ 5,071,251	\$ 5,490,653
15.611	Wildlife Restoration and Basic Hunter Education	72000			5,444,284	6,455,128
<i>Total for Fish and Wildlife Cluster</i>					<u>\$ 10,515,535</u>	<u>\$ 11,945,781</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
15.238	Challenge Cost Share	UND			\$ 11,932	\$ 1,485
15.511	Cultural Resources Management	UND			151,541	43,384
15.518	Garrison Diversion Unit	UND				32,452
15.642	Challenge Cost Share	NDSU			29,720	
15.650	Research Grants (Generic)	NDSU				26,793
15.655	Migratory Bird Monitoring, Assessment and Conservation	DSU			14,285	34,880
15.655	Migratory Bird Monitoring, Assessment and Conservation	NDSU			5,175	4,942
15.669	Cooperative Landscape Conservation	NDSU				48,342
15.805	Assistance to State Water Resources Research Institutes	NDSU			96,862	81,146
15.808	U.S. Geological Survey - Research and Data Collection	NDSU				3,883
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	UND			19,113	10,765
15.XXX	Archeological Data Recovery at Elbee/Karishta Sites Knife River Indian Village	UND		J6115100302	40,071	25,829
15.XXX	Characterization of Water and Sediment Quality of Lake Alice National Wildlife Refuge	UND		601818j414	1,101	1,983
15.XXX	Golden Eagle Nest Monitoring	DSU		09-CS-11011800-033	33,609	
15.XXX	Implications for Detection of Beaver Dams	NDSU		F11AC00311		8,880
15.XXX	Lake Ecology and Population Dynamics of Mohave Tui Chub	NDSU		J8380060075	4,712	399
Pass Through Non-State Entity:						
15.608	Fish and Wildlife Management Assistance	UND	Red Lake Watershed District	N/A	\$ 24,816	\$ 18,781
15.608	Fish and Wildlife Management Assistance	NDSU	University of Wisconsin - Milwaukee	113405519	11,437	316
15.611	Wildlife Restoration and Basic Hunter Education	UND	Brigham Young University	12-0332		12,376
15.634	State Wildlife Grants	NDSU	Ducks Unlimited, Inc.	PP-37-1	20,125	19,935

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES			
					2011	2012		
15.634	State Wildlife Grants	NDSU	Nevada Department of Wildlife	N/A		21,154		
<i>Total for Research &amp; Development Cluster</i>					\$	464,499	\$	397,725
<b>Total For Department Of The Interior</b>					\$	<b>26,414,200</b>	\$	<b>36,956,245</b>
<b>Department Of The Treasury</b>								
<i>Unclustered</i>								
Direct Programs:								
21.006	Tax Counseling for the Elderly	NDSU			\$		\$	99
<i>Total for Unclustered</i>					\$		\$	99
<b>Total For Department Of The Treasury</b>					\$		\$	<b>99</b>
<b>Department Of Transportation</b>								
<i>Unclustered</i>								
Direct Programs:								
20.106	Airport Improvement Program	41200			\$	467,757	\$	27,407
20.214	Highway Beautification-Control of Outdoor Advertising, and Control of Junkyards	80100						655
20.218	National Motor Carrier Safety	50400				1,895,135		1,566,109
20.231	Performance and Registration Information Systems Management	80100				35,346		67,276
20.231	Performance and Registration Information Systems Management	50400						10,992
20.233	Border Enforcement Grants	50400						301,880
20.238	Commercial Drivers License Information System (CDLIS) Modernization Grant	80100				49,938		24,479
20.314	Railroad Development	80100						906,614
20.505	Metropolitan Transportation Planning	80100				2,008,243		2,150,174
20.509	ARRA - Formula Grants for Other Than Urbanized Areas	80100				2,076,065		3,474,647
20.509	Formula Grants for Other Than Urbanized Areas	80100				3,902,246		3,793,106
20.615	E-911 Grant Program	11200				10,703		32,729
20.700	Pipeline Safety Program State Base Grant	40800				65,635		73,802
20.701	University Transportation Centers Program	NDSU				33,434		24,652

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**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	54000			229,904	199,877
20.XXX	Accelerated Safety Activity Program	80100		DTFH63-11-P-00053	56	606
20.XXX	Fatal Accident Reporting System	80100		DTNH22-07-H-00142	20,912	23,283
20.XXX	Fatal Accident Reporting System	80100		DTNH22-12-H-00142		11,203
Pass Through Non-State Entity:						
20.701	University Transportation Centers Program	NDSU	Rutgers, The State Univ of New Jersey	NJ-26-7067-01	\$ 3,094	\$
20.XXX	Center of Excellence Research Grant - CGAR Website Administrative Services	UND	Embry-Riddle University	01-C-ERAU-1E	35,630	37,337
<i>Total for Unclustered</i>					<u>\$ 10,834,098</u>	<u>\$ 12,726,828</u>
<i>Federal Transit Cluster</i>						
Direct Programs:						
20.500	Federal Transit - Capital Investment Grants	80100			\$ 556,803	\$ 259,446
<i>Total for Federal Transit Cluster</i>					<u>\$ 556,803</u>	<u>\$ 259,446</u>
<i>Highway Planning and Construction Cluster</i>						
Direct Programs:						
20.205	ARRA - Highway Planning and Construction	80100			\$ 50,820,982	\$ 10,381,811
20.205	Highway Planning and Construction	NDSU			188	
20.205	Highway Planning and Construction	80100			306,377,448	506,902,360
20.219	Recreational Trails Program	75000			795,083	776,263
Pass Through Non-State Entity:						
20.205	Highway Planning and Construction	NDSU	American Road & Transportation Builders	DTFH61-06-C-0032	\$ 95,341	\$ 24,299
20.205	Highway Planning and Construction	NDSU	Kadrmass Lee & Jackson Inc.	N/A		6,118
<i>Total for Highway Planning and Construction Cluster</i>					<u>\$ 358,089,042</u>	<u>\$ 518,090,851</u>
<i>Highway Safety Cluster</i>						
Direct Programs:						
20.600	State and Community Highway Safety	80100			\$ 1,881,051	\$ 1,521,310
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	12500			100,000	
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	80100			1,555,107	1,775,176

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
20.610	State Traffic Safety Information System Improvement Grants	80100			448,250	374,064
20.612	Incentive Grant Program to Increase Motorcyclist Safety	80100			98,121	71,398
<i>Total for Highway Safety Cluster</i>					<u>\$ 4,082,529</u>	<u>\$ 3,741,948</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
20.514	Public Transportation Research	NDSU			\$ 594,693	\$ 866,440
20.701	University Transportation Centers Program	NDSU			1,739,064	1,235,370
20.762	Research Grants	NDSU			124,306	189,652
20.XXX	Development Of Roadside Software	NDSU		DTMC75-03C00013	560	
20.XXX	Development of UAS Operational Data Collection Concept	UND		07-C-GA-UND Amend 2	15,792	
20.XXX	Evaluating the Benefits of Technology on Participation	NDSU		ND-26-1000	41,259	57,330
20.XXX	Flight Data Monitoring - General Aviation	UND		7-C-GA-UND Amend 13	87,786	
20.XXX	Flight Data Monitoring - General Aviation Safety Information Analysis and Sharing Phase II	UND		07-C-GA-UND Amend 13,26		157,291
20.XXX	Flight Data Monitoring - General Aviation Safety Information Analysis and Sharing Phase II	UND		07-C-GA-UND Amend 34,38		61,919
20.XXX	Fly by Wire and Fly by Light Control Systems for Rotorcraft	UND		07-C-GA-UND Amend 30,36		15,618
20.XXX	Friction Study	UND		07-C-GA-UND Amend 3	6,571	
20.XXX	General Aviation System Safety Management Research	UND		07-C-GA-UND Amend 4,7,15,17,28,33	30,182	30,079
20.XXX	Helipad Lighting System	UND		07-C-GA-UND Amend 10,11,14,20,23	101,656	5,419
20.XXX	Helipad Lighting System	UND		07-C-GA-UND Amend 29,35		86,862
20.XXX	Providing Traffic Safety Evaluations for Counties in ND	NDSU		DTFH63-11-P-00045	4	7,996
20.XXX	Radar, ADS-B, ASDE-X and FDM Analysis	UND		07-C-GA-UND Amend 32		31,255
20.XXX	Subject Matter Export Support for FAA Simulator Workstation	UND		07-C-GA-UND Amend 9,19,25,37	17,032	6,531
20.XXX	Weather Technology in the Cockpit Program	UND		07-C-GA-UND Amend 8,16,21,24,31	20,502	38,138
Pass Through Non-State Entity:						
20.200	Highway Research and Development Program	NDSU	Pennsylvania State University	4204-NDSU-USDOT-0008	\$ 136,820	\$ 270,456
20.509	Formula Grants for Other Than Urbanized Areas	NDSU	Ulteig Engineers Inc.	N/A	11,374	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
20.515	State Planning and Research	UND	Iowa Department of Transportation	11954	25,256	36,212
20.600	State and Community Highway Safety	NDSU	SD Department of Highway Safety	N/A		23,630
20.701	University Transportation Centers Program	NDSU	Bismarck-Mandan Metro. Planning Org.	DOT/Bis-Man MPO	8,390	11,081
20.701	University Transportation Centers Program	NDSU	FM Metropolitan Council of Governments	DOT/F-M MPO	27,124	11,551
20.701	University Transportation Centers Program	NDSU	GF/EGF Metro. Planning Org.	DOT/GF-EFG MPO	10,300	11,232
20.701	University Transportation Centers Program	NDSU	University of South Florida	2117-9050-02-A		2,259
20.XXX	ADS-B Aviation-Related Research, Consulting, and Training Services as Part of the FAA's ADS_B Program	UND	Embry-Riddle University	61077-UND		24,404
20.XXX	Analysis of 14 CFR Part 91&43 for UAS Applications	UND	Embry-Riddle University	61070-UND		1
20.XXX	COMPASS - Task Order 11B	NDSU	Science Application International Corp	COMPASS TO11B	5,476	
20.XXX	COMPASS - Task Order 9	NDSU	Science Application International Corp	COMPASS TO9 M8	2,835	
20.XXX	Development and Deployment of Clarus-Enabled Services	UND	Meridian Environmental Technology, Inc.	DTFH61-09-C-00002	24,438	5,276
20.XXX	Development of FMCSA Field Sys	NDSU	Computer Sciences Corporation	S500033 TO 6	5,672	
20.XXX	FMCSA - Task Order 7	NDSU	Computer Sciences Corporation	S50000331 TO 7	1,546,618	197
20.XXX	Freezing Drizzle Phase 2 for the Aurora Group	UND	Iowa Department of Transportation	PC00680	19,847	
20.XXX	Octane Enhancers from Crop Oil	UND	Embry-Riddle University	61047-und	3,342	
20.XXX	Operational Loads Monitoring of Business Jet Aircraft	UND	Embry-Riddle University	61053-UND	358	
20.XXX	Participation in the General Aviation Joint Steering Committee/Safety Analysis Team/Loss of Control Working Group	UND	Embry-Riddle University	61093		40,427
20.XXX	Smart Roadside Initiative	NDSU	Science Application International Corp	P010062514 T-11-001	74,930	107,671
20.XXX	V-TRIPS	NDSU	Stinger Ghaffarian Technologies	Subcontract: 11-4	274,340	
20.XXX	V-TRIPS - Task Order 2	NDSU	Stinger Ghaffarian Technologies	Subcontract: 11-45		1,812,865
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 4,956,527</u>	<u>\$ 5,147,162</u>
<i>Transit Services Programs Cluster</i>						
Direct Programs:						
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	80100			\$ 916,542	\$ 199,659
20.516	Job Access - Reverse Commute	80100			351,351	410,593
20.521	New Freedom Program	80100			168,414	222,074
<i>Total for Transit Services Programs Cluster</i>					<u>\$ 1,436,307</u>	<u>\$ 832,326</u>
<b>Total For Department Of Transportation</b>					<u><b>\$ 379,955,306</b></u>	<u><b>\$ 540,798,561</b></u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<b>Department Of Veterans Affairs</b>						
<i>Unclustered</i>						
Direct Programs:						
64.005	Grants to States for Construction of State Home Facilities	31300			\$ 14,684,183 <sup>a</sup>	\$
64.014	Veterans State Domiciliary Care	31300			590,705	959,838
64.015	Veterans State Nursing Home Care	31300			1,071,954	1,912,818
64.124	All-Volunteer Force Educational Assistance	NDUS			73,694	82,643
64.203	State Cemetery Grants	54000				355,115
64.XXX	VA - Resident Rotations	UND		N/A	401,197	375,300
64.XXX	VA Midwest Rural Health Resource Center (Year 2)	UND		N/A	30,313	
64.XXX	VA Processing Fee	NDSU		VA01241994	3,050	
<i>Total for Unclustered</i>					<u>\$ 16,855,096</u>	<u>\$ 3,685,714</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
64.XXX	MWM VERC Task 17 - Facilitating Co-management of Dual	NDSU		VA263-BO-0160	\$	\$ 24,911
64.XXX	MWM Veteran Engineering Resource Center	NDSU		VA MWM VERC	2,275	23,894
64.XXX	MWM Veteran Engineering Resource Center - Centralized	NDSU		VA263-BO-0100		3,153
64.XXX	MWM Veteran Engineering Resource Center - Clinic Space	NDSU		VA263-BO-0100	151,829	627
64.XXX	MWM Veteran Engineering Resource Center - Computer Model	NDSU		VA263-BO-0100		16,267
64.XXX	MWM Veteran Engineering Resource Center - Improving	NDSU		VA263-BO-0100		12,337
64.XXX	MWM Veteran Engineering Resource Center - Patient Center	NDSU		VA263-BO-0100		45,335
64.XXX	MWM Veteran Engineering Resource Center - Task 11.2	NDSU		VA263-BO-0100		10,551
64.XXX	MWM Veteran Engineering Resource Center - Task 11.3	NDSU		VA263-BO-0100		1,485
64.XXX	MWM Veteran Engineering Resource Center - VA YAMMCS	NDSU		VA263-BO-0100		17,027
64.XXX	MWM Veteran Engineering Resource Center Task 7.2 - Improving Clinic Visit Efficiency	NDSU		VA263-BO-01000	194	3,009
64.XXX	Value Stream Mapping and Access Improvement at Fargo VA	NDSU		VA Value Stream	117,921	
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 272,219</u>	<u>\$ 158,596</u>
<b>Total For Department Of Veterans Affairs</b>					<u><b>\$ 17,127,315</b></u>	<u><b>\$ 3,844,310</b></u>

a. A portion of this funding was received prior to 2011 but was included in the SEFA and tested as part of the major program for this audit.

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<b>Elections Assistance Commission</b>						
<i>Unclustered</i>						
Direct Programs:						
90.401	Help America Vote Act Requirements Payments		10800		\$ 839,896	\$ 1,209,008
<i>Total for Unclustered</i>					<u>\$ 839,896</u>	<u>\$ 1,209,008</u>
<b>Total For Elections Assistance Commission</b>					<u><b>\$ 839,896</b></u>	<u><b>\$ 1,209,008</b></u>
<b>Environmental Protection Agency</b>						
<i>Unclustered</i>						
Direct Programs:						
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act		30100		\$ 94,037	\$ 150,960
66.040	ARRA - State Clean Diesel Grant Program		30100		736,840	
66.040	State Clean Diesel Grant Program		30100		250,252	589,901
66.202	Congressionally Mandated Projects		30100		8,498	22,712
66.419	Water Pollution Control State, Interstate, and Tribal Program Support		30100		248,347	328,775
66.433	State Underground Water Source Protection		40500		103,000	102,000
66.454	ARRA - Water Quality Management Planning		30100		87,847	48,979
66.454	Water Quality Management Planning		30100		15,385	110,441
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds		30100		290,361	324,784
66.458	Capitalization Grants for Clean Water State Revolving Funds		30100		46,643	68,766
66.460	Nonpoint Source Implementation Grants		30100		5,850,253	3,944,560
66.461	Regional Wetland Program Development Grants		30100		129,694	178,006
66.468	ARRA - Capitalization Grants for Drinking Water State Revolving Funds		30100		483,178	185,594
66.468	Capitalization Grants for Drinking Water State Revolving Funds		30100		402,341	586,776
66.605	Performance Partnership Grants		60200		416,428	493,997
66.605	Performance Partnership Grants		30100		3,086,136	3,256,533
66.608	Environmental Information Exchange Network Grant Program and Related Assistance		30100		117,854	90,318

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	NDSU			53,435	52,479
66.709	Multi-Media Capacity Building Grants for States and Tribes	30100				5,479
66.717	Source Reduction Assistance	NDSU			21,175	909
66.802	ARRA - Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	30100			3,530,162	1,407,674
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	30100			974,329	164,825
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	30100			278,587	274,886
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	30100			153,040	218,306
66.817	State and Tribal Response Program Grants	30100			42,995	69,316
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	30100			53,711	
Pass Through Non-State Entity:						
66.460	Nonpoint Source Implementation Grants	NDSU	Dakota West RC&D	46.118	\$ 3,661	\$
<i>Total for Unclustered</i>					<u>\$ 17,478,189</u>	<u>\$ 12,676,976</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
66.461	Regional Wetland Program Development Grants	UND			\$ 29,870	\$ 40,209
66.509	Science To Achieve Results (STAR) Research Program	UND			35,954	380,262
66.516	P3 Award: National Student Design Competition for Sustainability	UND				11,479
66.808	Solid Waste Management Assistance Grants	UND			10,063	
Pass Through Non-State Entity:						
66.460	Nonpoint Source Implementation Grants	NDSU	Red River Basin Commission	EPA/RRBC	\$ 40	\$ 2,674
66.460	Nonpoint Source Implementation Grants	NDSU	Red River Regional Planning Council	EPA/RRRPC	47,422	22,048
66.460	Nonpoint Source Implementation Grants	UND	Red River Regional Planning Council	N/A	37	7,648
66.469	Great Lakes Program	UND	State of Minn. Dept. Natural Resources	B51912-1	15,001	221,351
66.469	Great Lakes Program	UND	State of Minn. Dept. Natural Resources	B51912-2	51,708	117,496
66.469	Great Lakes Program	UND	State of Minn. Dept. Natural Resources	B52529	191,248	107,435
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 381,343</u>	<u>\$ 910,602</u>
<b>Total For Environmental Protection Agency</b>					<u><b>\$ 17,859,532</b></u>	<u><b>\$ 13,587,578</b></u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<b>Equal Employment Opportunity Commission</b>						
<i>Unclustered</i>						
Direct Programs:						
30.002	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	40600			\$ 78,500	\$ 84,200
<i>Total for Unclustered</i>					<u>\$ 78,500</u>	<u>\$ 84,200</u>
<b>Total For Equal Employment Opportunity Commission</b>					<u><u>\$ 78,500</u></u>	<u><u>\$ 84,200</u></u>
<b>Executive Office of the President</b>						
<i>Unclustered</i>						
Direct Programs:						
95.001	High Intensity Drug Trafficking Areas Program	12500			\$ 517,505	\$ 598,688
<i>Total for Unclustered</i>					<u>\$ 517,505</u>	<u>\$ 598,688</u>
<b>Total For Executive Office of the President</b>					<u><u>\$ 517,505</u></u>	<u><u>\$ 598,688</u></u>
<b>General Services Administration</b>						
<i>Unclustered</i>						
Nonmonetary Assistance:						
39.003	Donation of Federal Surplus Personal Property	11000			\$ 2,823,951	\$ 1,257,864
<i>Total for Unclustered</i>					<u>\$ 2,823,951</u>	<u>\$ 1,257,864</u>
<b>Total For General Services Administration</b>					<u><u>\$ 2,823,951</u></u>	<u><u>\$ 1,257,864</u></u>
<b>Institute of Museum and Library Services</b>						
<i>Unclustered</i>						
Direct Programs:						
45.310	Grants to States	25000			\$ 985,689	\$ 892,152
45.312	National Leadership Grants	70100				67,143
45.313	Laura Bush 21st Century Librarian Program	VCSU			68,460	57,911
<i>Total for Unclustered</i>					<u>\$ 1,054,149</u>	<u>\$ 1,017,206</u>
<b>Total For Institute of Museum and Library Services</b>					<u><u>\$ 1,054,149</u></u>	<u><u>\$ 1,017,206</u></u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<b>Library Of Congress</b>						
<i>Unclustered</i>						
Direct Programs:						
42.001	Books for the Blind and Physically Handicapped	MISU			\$ 2,536	\$
Pass Through Non-State Entity:						
42.XXX	Open World Program	MISU	FHI Development 360 LLC	OWLC-1205	\$	\$ 4,433
42.XXX	Teaching with Primary Sources Impact Grant	DSU	Metropolitan State College of Denver	MSCD-11-1154913	1,701	
<i>Total for Unclustered</i>					<u>\$ 4,237</u>	<u>\$ 4,433</u>
<b>Total For Library Of Congress</b>					<u>\$ 4,237</u>	<u>\$ 4,433</u>
<b>National Aeronautics and Space Administration</b>						
<i>Unclustered</i>						
Direct Programs:						
43.XXX	Communicating Climate Change	UND		NNX10AB53A	\$ 48,721	\$ 32,274
43.XXX	Mineralogical Characterizations of Asteroids	UND		NNX08AW04H	20,410	
43.XXX	NASA Earth and Space Science Fellowships Program 2010	UND		NNX10AP45H	22,636	26,375
43.XXX	North Dakota NASA Space Grant Consortium FY 2010-2014	UND		NNX10AL99H	627,149	406,627
43.XXX	North Dakota Space Grant Consortium	UND		NNG05GJ56H	4,760	
<i>Total for Unclustered</i>					<u>\$ 723,676</u>	<u>\$ 465,276</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
43.XXX	A Study of Arctic Radiation Budget Using CERES/MODIS Satellite and ARM NSA Surface Observations and NASA GISS Model	UND		NNX07AW05G	\$ 191,897	\$ 53,078
43.XXX	Asteroid Compositions	UND		NNX10AG45G	141,605	
43.XXX	Asteroid Mineralogical Characterizations and Implications	UND		NNX11AN84G		126,835
43.XXX	Compositional and Physical Characterizations or Near-Earth Objects	UND		NNX12AG12G		6,037
43.XXX	DC-8 Suborbital Education and Research Center	UND		NNG05WC01A	4,610	
43.XXX	DC-8 Transfer to Create a National Suborbital Education and Research Center	UND		NND08WC01A	1,941,675	1,736,068

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
43.XXX	Evaluation of NASA GISS Model E AR5 Simulated Global Cloud Fraction and Radiation Budgets Using the MODIS-CEES Observation and MERRA Reanalysis	UND		NNX11AM15A		62,969
43.XXX	Experimental and Computational Investigation of Low Pressure Variable-Speed Turbine Aerodynamic: Benchmark Data Set and Predictive Tool Development	UND		NNX11AQ32A		83,103
43.XXX	Flood Mitigation of the Devils Lake Basin in North Dakota	UND		NNX09AO06G	44,101	3,553
43.XXX	Improvement of CERES Science Team Cloud Retrieval	UND		NNX09AH75G	45,886	47,029
43.XXX	Integrated Strategies for the Human Exploration of the Moon and Mars	UND		NNX09AP19A	209,312	226,045
43.XXX	Northern Great Plains Center for People and the Environment	UND		NNX09AQ81G	1,981,291	67,728
43.XXX	Northern Great Plains Center for People and the Environment - Phase II	UND		NNX08A097G	87,385	
43.XXX	Physical and Compositional Characterizations of Near-Earth Objects	UND		NNX07AL29G	14,343	85,662
43.XXX	Research Aircraft Support of GCPEX (Global Cold Precipitation Experiment)	UND		NNX11AP12G		518,947
43.XXX	Research Aircraft Support of the Midaltitude Continental Convection Clouds Experiment	UND		NNX10AN38G		526,279
43.XXX	Research Opportunities in Space and Earth Sciences - 2009	UND		NNX10AR22G	66,813	111,844
43.XXX	Rid-Research Infrastructure Development (NASA EPSCoR)	UND		NNX07AK91A	125,308	183,838
43.XXX	Upper Midwest Aerospace Consortium	UND		NNX10AH20G	526,842	1,752,910
43.XXX	Validation of Ceres -Derived Terra and Aqua Cloud Properties Using DOE ARM Surface Observations	UND		NNX08AK88G	49,522	
43.XXX	Validation of CERES-Derived Satellite Cloud Properties Using the ARM Data Collected at China and Azores During 2008-2010	UND		NNX10AI05G	61,836	166,300
Pass Through Non-State Entity:						
43.002	Aeronautics	UND	Rensselaer Polytechnic Institute	B10554	\$ 45,027	\$
43.XXX	Challenges and Opportunities in Remote Sensing of Global Savannas: A Scoping Study for a New TE Field Campaign	UND	Colorado State University	G-1967-1	9,493	
43.XXX	NRA/Research Opportunities in Space and Earth Science - 2008	UND	University of Illinois - Chicago	2008-05675-01		4,997
43.XXX	Science Mission Operations by NSERC and Related Educational Activities	UND	Bay Area Environmental Yes Institute	NNX12ADOSA-UND1		571,790
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 5,546,946</u>	<u>\$ 6,335,012</u>
<b>Total For National Aeronautics and Space Administration</b>					<u><b>\$ 6,270,622</b></u>	<u><b>\$ 6,800,288</b></u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY PASS THROUGH ENTITY		IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<b>National Archives And Records Administration</b>						
<i>Unclustered</i>						
Direct Programs:						
89.003	National Historical Publications and Records Grants	70100			\$ 11,865	\$ 8,699
<i>Total for Unclustered</i>					<u>\$ 11,865</u>	<u>\$ 8,699</u>
<b>Total For National Archives And Records Administration</b>					<u><b>\$ 11,865</b></u>	<u><b>\$ 8,699</b></u>
<b>National Endowment for the Arts</b>						
<i>Unclustered</i>						
Direct Programs:						
45.024	Promotion of the Arts - Grants to Organizations and Individuals	UND			\$ 14,580	\$ 15,000
45.025	Promotion of the Arts - Partnership Agreements	70900			828,213	764,500
45.025	Promotion of the Arts - Partnership Agreements	DSU				10,000
<i>Total for Unclustered</i>					<u>\$ 842,793</u>	<u>\$ 789,500</u>
<b>Total For National Endowment for the Arts</b>					<u><b>\$ 842,793</b></u>	<u><b>\$ 789,500</b></u>
<b>National Endowment for the Humanities</b>						
<i>Unclustered</i>						
Direct Programs:						
45.149	Promotion of the Humanities - Division of Preservation and Access	70100			\$	\$ 126,668
45.161	Promotion of the Humanities - Research	UND			3,055	
Pass Through Non-State Entity:						
45.129	Promotion of the Humanities - Federal/State Partnership	BSC	North Dakota Humanities Council	09510	\$ 14,816	\$
45.129	Promotion of the Humanities - Federal/State Partnership	UND	North Dakota Humanities Council	11508		10,000
45.129	Promotion of the Humanities - Federal/State Partnership	UND	North Dakota Humanities Council	GRANT NO. 09504	1,000	
45.129	Promotion of the Humanities - Federal/State Partnership	UND	North Dakota Humanities Council	GRANT NO. 09515	10,000	
45.129	Promotion of the Humanities - Federal/State Partnership	UND	North Dakota Humanities Council	GRANT NO. 12302		508
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	N/A	440	

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					2011	2012	
45.129	Promotion of the Humanities - Federal/State Partnership	70100	North Dakota Humanities Council	N/A	9,146	6,977	
<i>Total for Unclustered</i>					\$	<u>38,457</u>	\$ <u>144,153</u>
<b>Total For National Endowment for the Humanities</b>					\$	<u><b>38,457</b></u>	\$ <u><b>144,153</b></u>
 <b>National Science Foundation</b>							
<i>Unclustered</i>							
Direct Programs:							
47.041	Engineering Grants	UND			\$	\$ 197,713	
47.049	Mathematical and Physical Sciences	NDSU				13,755 15,745	
47.070	Computer and Information Science and Engineering	NDSU				25,000	
47.076	Education and Human Resources	BSC				129,707 78,082	
47.076	Education and Human Resources	UND				25,591 77,023	
47.076	Education and Human Resources	NDSU				966,450 876,552	
47.076	Education and Human Resources	NDSCS				5,241	
47.081	Office of Experimental Program to Stimulate Competitive Research	NDSU				2,692,556	
47.081	Office of Experimental Program to Stimulate Competitive Research	UND				83,836 15,142	
Pass Through Non-State Entity:							
47.041	Engineering Grants	UND	University of Alaska Anchorage	P0387320	\$	\$ 21,228 28,080	
47.076	Education and Human Resources	NDSU	Bismarck Public Schools	NSF/BPS		1,165 656	
47.076	Education and Human Resources	NDSCS	Dakota County Technical College	NSF-07-530		95,825 61,951	
47.076	Education and Human Resources	NDSCS	Lorain County Community College	NSF-0703018		55,468 4,805	
47.076	Education and Human Resources	NDSCS	Lorain County Community College	NSF-1104107		29,580	
47.076	Education and Human Resources	NDSU	Salish Kootenai College	NSF/SKC		3,570 880	
<i>Total for Unclustered</i>					\$	<u>1,421,595</u>	\$ <u>4,084,006</u>
<i>Research &amp; Development Cluster</i>							
Direct Programs:							
47.041	Engineering Grants	NDSU			\$	\$ 419,665 666,271	
47.049	Mathematical and Physical Sciences	UND				124,108 780,677	

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					2011	2012
47.049	Mathematical and Physical Sciences	NDSU			832,468	902,756
47.050	Geosciences	NDSU			145,037	83,001
47.050	Geosciences	UND			206,943	91,044
47.070	Computer and Information Science and Engineering	NDSU			95,368	292,946
47.074	Biological Sciences	UND			372,576	322,348
47.074	Biological Sciences	NDSU			1,007,170	1,539,054
47.075	Social, Behavioral, and Economic Sciences	NDSU			22,825	
47.075	Social, Behavioral, and Economic Sciences	UND			51,323	10,274
47.076	Education and Human Resources	UND			105,303	233,258
47.076	Education and Human Resources	NDSU			202,978	267,739
47.078	Polar Programs	NDSU			91,500	96,713
47.081	Office of Experimental Program to Stimulate Competitive Research	NDSU			3,382,101	150
47.082	ARRA - Trans-NSF Recovery Act Research Support	NDSU			1,652,685	1,629,244
47.082	ARRA - Trans-NSF Recovery Act Research Support	UND			945,228	659,027
Pass Through Non-State Entity:						
47.041	Engineering Grants	UND	Helios-NRG, LLC	IIP-1013358-2	\$ 20,681	\$
47.041	Engineering Grants	NDSU	University of South Florida	2106-1136-00-B	36,034	17,544
47.041	Engineering Grants	NDSU	WOWIWE Instruction Company	NSF09-541	44,386	1,771
47.049	Mathematical and Physical Sciences	NDSU	Loyola University, Chicago	DMS1156393		32,841
47.050	Geosciences	NDSU	Pennsylvania State University	4219-NDSU-NSF-8652	5,909	
47.070	Computer and Information Science and Engineering	NDSU	Temple University	239197/CNS-1002974	36,044	
47.070	Computer and Information Science and Engineering	NDSU	Temple University	239556	59,126	795
47.074	Biological Sciences	NDSU	Cornell University	61416-9594		75,677
47.074	Biological Sciences	NDSU	Field Museum of Natural History	50115-1/DEB-0949147	13,061	14,008
47.074	Biological Sciences	UND	University of Connecticut	FRS# 524953	12,564	17,525
47.074	Biological Sciences	NDSU	University of Florida	UF10124 -IOS-0923975	42,843	70,230
47.075	Social, Behavioral, and Economic Sciences	DSU	Southern Illinois University	Sub Agreement 11-11		17,058
47.076	Education and Human Resources	NDSU	Montana State University	G112-10-W2687	1,863	
47.076	Education and Human Resources	UND	Turtle Mountain Community College	N/A	7,158	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
47.076	Education and Human Resources	UND	University of Missouri - Columbia	C00030084-2		12,280
47.076	Education and Human Resources	NDSU	Utah State University	8064803	6,744	16,302
47.079	International Science and Engineering (OISE)	UND	Louisiana State University	SUBAWARD 44367	3,428	5,528
47.082	ARRA - Trans-NSF Recovery Act Research Support	NDSU	Black Hills State University	NDSU-BS1000001	38,223	10
47.082	ARRA - Trans-NSF Recovery Act Research Support	NDSU	Sea Shell Technologies, LLC	NDSU FAR0015232	134,869	1,544
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 10,120,211</u>	<u>\$ 7,857,615</u>
<b>Total For National Science Foundation</b>					<u><b>\$ 11,541,806</b></u>	<u><b>\$ 11,941,621</b></u>
<b>Small Business Administration</b>						
<i>Unclustered</i>						
Direct Programs:						
59.000	Congressional Earmark	NDSU			\$ 206,595	\$ 62,577
59.037	Small Business Development Centers	UND			766,261	933,596
59.058	Federal and State Technology Partnership Program	UND			45,238	82,812
59.XXX	Entrepreneurial Center For Horticulture	DCB		SBAHQ-10-I-0260	149,295	100,705
<i>Total for Unclustered</i>					<u>\$ 1,167,389</u>	<u>\$ 1,179,690</u>
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
59.037	Small Business Development Centers	UND			\$ 69,324	\$
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 69,324</u>	<u>\$</u>
<b>Total For Small Business Administration</b>					<u><b>\$ 1,236,713</b></u>	<u><b>\$ 1,179,690</b></u>
<b>Social Security Administration</b>						
<i>Unclustered</i>						
Direct Programs:						
96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	36000			\$ 114,513	\$ 82,883
<i>Total for Unclustered</i>					<u>\$ 114,513</u>	<u>\$ 82,883</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
<i>Disability Insurance/SSI Cluster</i>						
Direct Programs:						
96.001	Social Security - Disability Insurance	32500			\$ 3,212,810	\$ 2,977,113
<i>Total for Disability Insurance/SSI Cluster</i>					<u>\$ 3,212,810</u>	<u>\$ 2,977,113</u>
<b>Total For Social Security Administration</b>					<u><b>\$ 3,327,323</b></u>	<u><b>\$ 3,059,996</b></u>
 <b>U.S. Department Of Agriculture</b>						
<i>Unclustered</i>						
Direct Programs:						
10.025	Plant and Animal Disease, Pest Control, and Animal Care	60200			\$ 322,940	\$ 265,042
10.025	Plant and Animal Disease, Pest Control, and Animal Care	72000			71,014	176,193
10.028	Wildlife Services	72000			69,419	
10.070	Colorado River Basin Salinity Control Program	NDSU			32,462	28,633
10.093	Voluntary Public Access and Habitat Incentive Program	72000			410,083	302,417
10.162	Inspection Grading and Standardization	60200			5,966	4,225
10.163	Market Protection and Promotion	60200			128,239	126,806
10.169	Specialty Crop Block Grant Program	60200			30,613	
10.170	Specialty Crop Block Grant Program - Farm Bill	60200			682,325	590,952
10.171	Organic Certification Cost Share Programs	60200				1,215
10.210	Food and Agricultural Sciences National Needs Graduate Fellowship Grants	NDSU			2,165	889
10.217	Higher Education Challenge Grants	NDSU			268,925	157,371
10.220	Higher Education Multicultural Scholars Program	UND			23,597	9,221
10.220	Higher Education Multicultural Scholars Program	NDSU				8,149
10.303	Integrated Programs	NDSU			35,020	
10.314	New ERA Rural Technology Competitive Grants Program	NDSCS			39,797	45,226
10.435	State Mediation Grants	60200			188,360	167,610
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	60200			427,469	450,773
10.500	Cooperative Extension Service	NDSU			3,370,115	4,452,087
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	30100			12,219,741	12,666,951

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
10.558	Child and Adult Care Food Program	20100			10,501,142	10,682,247
10.560	ARRA - State Administrative Expenses for Child Nutrition	20100			275,931	
10.560	State Administrative Expenses for Child Nutrition	20100			727,547	739,439
10.565	Commodity Supplemental Food Program	20100			189,410	211,538
10.567	Food Distribution Program on Indian Reservations	20100			999,607	1,233,664
10.574	Team Nutrition Grants	20100			124,454	50,322
10.579	ARRA - Child Nutrition Discretionary Grants Limited Availability	20100			42,365	
10.579	Child Nutrition Discretionary Grants Limited Availability	20100			2,523	75,796
10.582	Fresh Fruit and Vegetable Program	20100			1,142,478	1,704,529
10.652	Forestry Research	NDSU			3,651	116
10.664	Cooperative Forestry Assistance	60200			64,875	47,932
10.664	Cooperative Forestry Assistance	NDSU			1,837,000	1,801,849
10.672	Rural Development, Forestry, and Communities	NDSU			19,419	581
10.677	Forest Land Enhancement Program	NDSU			14,720	
10.680	Forest Health Protection	60200				59
10.769	Rural Business Enterprise Grants	DCB			48,281	6,045
10.769	Rural Business Enterprise Grants	60100			69,775	
10.773	Rural Business Opportunity Grants	DCB			4,319	
10.855	Distance Learning and Telemedicine Loans and Grants	11200				392,277
10.914	Wildlife Habitat Incentive Program	75000				2,746
10.950	Agricultural Statistics Reports	NDSU			77,000	
10.962	Cochran Fellowship Program-International Training-Foreign Participant	NDSU			55,209	1
10.XXX	Dakota Prairie Grasslands Woody Draw Mapping Study	BSC		09-CS-11011809-017	5,000	
10.XXX	Highway Hub of History Pilot Project	70100		08-CS-11011800.030	3,498	22,690
10.XXX	Market News	60200		12-25-A-5353	14,470	11,080
10.XXX	Meat Grading	60200		12-25-A-4791	64,621	85,861
10.XXX	Meat Inspection Title V Feasibility	60200		FSIS-C-32-2010/01	49,800	13,002
10.XXX	Model Farm Margins Calculator	LRSC		NRCS #68-6633-10-022	43,011	
10.XXX	NRCS COOP Agreement	72000		66663360003	10,442	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY PASS THROUGH ENTITY		IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
Nonmonetary Assistance:						
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	60200			\$ 6,277	\$ 7,448
10.558	Child and Adult Care Food Program	20100			9,062	14,131
10.565	Commodity Supplemental Food Program	20100			586,067	478,662
10.567	Food Distribution Program on Indian Reservations	20100			2,230,264	2,565,910
Pass Through Non-State Entity:						
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Colorado State University	G-1474-12	\$ 6,271	\$ 4,454
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of California - Davis	200911201-NORD2	11,055	
10.206	Grants for Agricultural Research - Competitive Research Grants	NDSU	University of Nebraska-Lincoln	25-6324-0089-010	35,344	38,761
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H002546601		13,009
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H408626328	17,625	14,462
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H408905325	26,386	
10.217	Higher Education Challenge Grants	NDSU	Ohio State University	60020124	6,248	13,269
10.223	Hispanic Serving Institutions Education Grants	NDSU	University of Puerto Rico	2006-38422-17106	19,939	
10.303	Integrated Programs	NDSU	Colorado State University	G-1483-3	51,794	71,193
10.304	Homeland Security - Agricultural	NDSU	Auburn University	09-ACES-378559-NDSU	274	
10.304	Homeland Security - Agricultural	NDSU	Kansas State University	S08012	40,000	55,148
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Kansas State University	S11205	3,350	38,304
10.500	Cooperative Extension Service	NDSU	Auburn University	08-USDA-Army-NDSU	125,824	142,966
10.500	Cooperative Extension Service	NDSU	Auburn University	12-USDA-Army-NDSU-2		87,134
10.500	Cooperative Extension Service	NDSU	Iowa State University	410-30-79		5,907
10.500	Cooperative Extension Service	NDSU	Kansas State University	S08115	15,689	517
10.500	Cooperative Extension Service	NDSU	Kansas State University	S09038.01	84,859	28,361
10.500	Cooperative Extension Service	NDSU	Kansas State University	S11086	9,232	12,981
10.500	Cooperative Extension Service	NDSU	Kansas State University	S11113		17,834
10.500	Cooperative Extension Service	NDSU	Kansas State University	S11171	11,743	32,493
10.500	Cooperative Extension Service	NDSU	Kansas State University	S12044		58,006
10.500	Cooperative Extension Service	NDSU	Kansas State University	S12071		4,319
10.500	Cooperative Extension Service	NDSU	Kansas State University	S12121		7,476

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					2011	2012
10.500	Cooperative Extension Service	NDSU	Kansas State University	S12236		4,383
10.500	Cooperative Extension Service	NDSU	North Carolina State University	2011-1688-01		9,772
10.500	Cooperative Extension Service	NDSU	University of Minnesota	H000564903	1,000	
10.500	Cooperative Extension Service	NDSU	University of Minnesota	H001106901	15,040	
10.500	Cooperative Extension Service	NDSU	University of Minnesota	H001226924	17,160	29,462
10.500	Cooperative Extension Service	NDSU	University of Minnesota	H001911915		16,029
10.500	Cooperative Extension Service	NDSU	University of Nebraska-Lincoln	25-6324-0081-301	1,966	
10.500	Cooperative Extension Service	NDSU	University of Nebraska-Lincoln	25-6324-0097-012	5,576	878
10.500	Cooperative Extension Service	NDSU	University of Nebraska-Lincoln	25-6324-0097-017	22,126	9,215
10.500	Cooperative Extension Service	NDSU	University of Nebraska-Lincoln	25-6365-0023-108	7,390	11,610
10.500	Cooperative Extension Service	NDSU	University of Wisconsin-Madison	225K271	4,073	2,927
<i>Total for Unclustered</i>					<u>\$ 38,090,432</u>	<u>\$ 40,332,555</u>
<i>Child Nutrition Cluster</i>						
Direct Programs:						
10.553	School Breakfast Program	20100			\$ 3,890,614	\$ 4,377,944
10.555	National School Lunch Program	20100			15,712,164	16,818,621
10.556	Special Milk Program for Children	20100			23,559	24,534
10.559	Summer Food Service Program for Children	20100			586,804	534,196
Nonmonetary Assistance:						
10.555	National School Lunch Program	20100			\$ 2,651,830	\$ 3,018,413
10.559	Summer Food Service Program for Children	20100			4,722	4,972
<i>Total for Child Nutrition Cluster</i>					<u>\$ 22,869,693</u>	<u>\$ 24,778,680</u>
<i>Emergency Food Assistance Cluster</i>						
Direct Programs:						
10.568	ARRA - Emergency Food Assistance Program (Administrative Costs)	20100			\$ 56,522	\$
10.568	Emergency Food Assistance Program (Administrative Costs)	20100			131,667	87,713
Nonmonetary Assistance:						
10.569	Emergency Food Assistance Program (Food Commodities)	20100			\$ 1,175,350	\$ 425,105
<i>Total for Emergency Food Assistance Cluster</i>					<u>\$ 1,363,539</u>	<u>\$ 512,818</u>

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					2011	2012
<i>Research &amp; Development Cluster</i>						
Direct Programs:						
10.001	Agricultural Research - Basic and Applied Research	UND			\$ 1,978,097	\$ 2,124,191
10.001	Agricultural Research - Basic and Applied Research	NDSU			2,407,962	2,560,940
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NDSU				76,631
10.025	Plant and Animal Disease, Pest Control, and Animal Care	UND				6,900
10.028	Wildlife Services	NDSU			766,798	41,877
10.156	Federal-State Marketing Improvement Program	NDSU				57,127
10.167	Transportation Services	NDSU			65,805	42,464
10.200	Grants for Agricultural Research, Special Research Grants	NDSU			1,305,571	1,097,506
10.200	Grants for Agricultural Research, Special Research Grants	UND			726	
10.202	Cooperative Forestry Research	NDSU			219,320	113,606
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	NDSU			2,710,019	3,545,733
10.206	Grants for Agricultural Research - Competitive Research Grants	UND			113,513	89,155
10.206	Grants for Agricultural Research - Competitive Research Grants	NDSU			557,965	212,337
10.207	Animal Health and Disease Research	NDSU			14,825	11,608
10.250	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	NDSU			34,268	1,490
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU			1,228,514	1,922,276
10.664	Cooperative Forestry Assistance	NDSU			72,229	129,522
10.777	Norman E. Borlaug International Agricultural Science and Technology Fellowship	NDSU				5,356
10.903	Soil Survey	NDSU			2,382	18,616
10.912	Environmental Quality Incentives Program	NDSU			23,493	1,866
10.960	Technical Agricultural Assistance	NDSU			27,675	
10.961	Scientific Cooperation and Research	NDSU			6,740	152
10.962	Cochran Fellowship Program-International Training-Foreign Participant	NDSU			6,290	5,020
10.XXX	Amphibian Population Trends Study	UND		09-CS-11011801-005	6,020	8,494
10.XXX	Elkhorn-Eberts Ranch Survey - Phase 2	UND		09-cs-11011800-011	3,323	

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					2011	2012
10.XXX	Elkhorn-Eberts Ranch Survey 2008	UND		08-cs-11011800-021	606	
10.XXX	Excavation/Analysis of Prehistoric Archaeological Sites 32BL135	UND		10-CS-11011800-019	19,787	3
10.XXX	Influence of Wildland Restoration Strategies on Soil Chemical and Physical Properties	NDSU		10-CR-11221632-201	7,312	8,238
10.XXX	Rangeland Pollinators: a Special Issue of Rangelands	NDSU		AG-7482-P-10-0091	5,000	
Pass Through Non-State Entity:						
10.001	Agricultural Research - Basic and Applied Research	NDSU	Phenotype Screening Corporation	58-3K95-9-1364	\$ 2,003	\$
10.001	Agricultural Research - Basic and Applied Research	NDSU	University of Nebraska-Lincoln	25-6235-0145-003	2,500	4,000
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	National Sunflower Association	09-136	27,400	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	National Sunflower Association	09-136 / 12-25-B-094	22,983	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	National Sunflower Association	11-187 / 12-25-B-1247		52,773
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	ND Grape Growers Association	12-25-B-0942	49,449	58,893
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	Northern Plains Potato Growers Association	09-138	57,975	
10.200	ARRA - Grants for Agricultural Research, Special Research Grants	NDSU	Iowa State University	4164022C IO 75565 23	18,492	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Colorado State University	2-004-34263-14270	1,629	1,178
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Cornell University	59497-9300	1,182	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Iowa State University	4164022C IO 75565 23		2,638
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	61-4080K	1,365	146
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	PO 42599	175	618
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	PO 73416	14,271	10,102
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	PO76284	28	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RC064268NDSU-1		46,500
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RC064268NDSU-2	1,874	18,126
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RCI00653A		6,789
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RCI00653D		4,994
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Montana State University	G113-11-W2844	33,296	13,704
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Montana State University	G128-12-W3364		40,816
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Montana State University	G159-11-W3317	21,082	10,168
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Montana State University	G233-10-W2895	4,742	

**STATE OF NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Oregon State University	C0396A-D	23,579	7,915
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Oregon State University	C0417A-D	5,489	69,158
10.200	Grants for Agricultural Research, Special Research Grants	UND	Pennsylvania State University	3994-UND-USDA-9968	34,686	
10.200	Grants for Agricultural Research, Special Research Grants	UND	Pennsylvania State University	4208-UND-USDA-1128	104,072	24,967
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	PPG Industries	2010-38202-20504	24,463	150,243
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	South Dakota State University	3TF088	67,135	3,500
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	South Dakota State University	3TG033/Ben Geaumont	65,857	40,262
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	South Dakota State University	3TG088	38,213	4,412
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	South Dakota State University	3TG093	12,175	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	South Dakota State University	3TJ081	32,503	37,029
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	South Dakota State University	3TK081	3,500	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	South Dakota State University	3TK131	25,216	73,673
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Southern Illinois University Carbondale	SIUC 09-11	6,287	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of Hawaii	Z877899	8,282	2,219
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of Idaho	BAK464 PO018667	45,026	404
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of Idaho	BAK465_SB_002	52,099	4,767
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of Idaho	BAK466-SB002-NDSU	98,812	22,716
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of Minnesota	H001042501	31,843	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of Nebraska-Lincoln	26-6242-0104-004	7,582	
10.206	Grants for Agricultural Research - Competitive Research Grants	NDSU	Purdue University	8000027538-AG	17,099	
10.206	Grants for Agricultural Research - Competitive Research Grants	NDSU	University of Arkansas. Little Rock	UA AES 90944-02	1,362	
10.206	Grants for Agricultural Research - Competitive Research Grants	NDSU	University of California - Davis	K016618-03	2,322	
10.206	Grants for Agricultural Research - Competitive Research Grants	NDSU	University of Minnesota	Q4096504114	6,620	
10.206	Grants for Agricultural Research - Competitive Research Grants	NDSU	University of Minnesota	Q4096504115	8,420	
10.206	Grants for Agricultural Research - Competitive Research Grants	NDSU	University of Minnesota	Q4096504401	197	
10.212	Small Business Innovation Research	NDSU	Custom Data, Inc	N/A	1,272	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H001226909	31,378	34,469
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H001226914	4,435	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H001226915	9,964	

**STATE OF NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H001226935		10,000
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H001911507	3,216	6,734
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H001911532		39,722
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H002484806		15,631
10.227	1994 Institutions Research Program	NDSU	Cankdeska Cikana Community College	Sub 2009-38424-05426	4,897	
10.227	1994 Institutions Research Program	NDSU	Fort Berthold Community College	FBCC 07-38424-17939	93	
10.227	1994 Institutions Research Program	NDSU	Sitting Bull College	Subaward SBC	46,834	5,496
10.303	Integrated Programs	NDSU	Iowa State University	416-43-61 C	9,677	56,547
10.303	Integrated Programs	NDSU	Montana State University	G228-09-W1759	15,000	
10.303	Integrated Programs	NDSU	University of Idaho	BJKH03SB003 POO19979	52,052	68,990
10.303	Integrated Programs	NDSU	University of Illinois, Urbana Champaign	A4151		62,970
10.303	Integrated Programs	NDSU	University of Illinois, Urbana Champaign	A4151 2007-04967-18	24,419	18,686
10.303	Integrated Programs	NDSU	Western Michigan University	6259		17,510
10.307	Organic Agriculture Research and Extension Initiative	NDSU	Cornell University	64325-9778		6,084
10.309	Specialty Crop Research Initiative	NDSU	Cornell University	64094-9749		3,879
10.309	Specialty Crop Research Initiative	NDSU	Texas A & M University	570608	118,542	112,247
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Purdue University	8000041989-AG	605	4,648
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Texas Woman's University	2010-106-2		94,040
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	University of California - Davis	201015718-21	28,805	209,647
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	University of Minnesota	H000972004	41,548	6,329
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Virginia Tech	422183-19953	568	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Virginia Tech	422262-19953		11,933
10.320	Sun Grant Program	NDSU	South Dakota State University	3TG114		15,950
10.320	Sun Grant Program	NDSU	South Dakota State University	3TJ114		13,822
10.500	Cooperative Extension Service	NDSU	Michigan State University	PO 73404	19,000	
10.902	Soil and Water Conservation	NDSU	University of Idaho	BJK409-SB-008	185	4,669
10.902	Soil and Water Conservation	NDSU	Wild Rice Soil Conservation District	68-6633-5-23	300	
10.912	Environmental Quality Incentives Program	NDSU	ND Natural Resources Trust	68-6633-6-56	42,056	37,339
10.912	Environmental Quality Incentives Program	NDSU	South Dakota State University	3TB082	31,202	60,294

**STATE OF NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Years Ended June 30, 2011 and 2012**

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2011	2012
10.912	Environmental Quality Incentives Program	NDSU	University of Idaho	PO 016080	1,409	1,494
<i>Total for Research &amp; Development Cluster</i>					<u>\$ 13,054,982</u>	<u>\$ 13,712,948</u>
<i>SNAP Cluster</i>						
<i>Direct Programs:</i>						
10.551	Supplemental Nutrition Assistance Program	32500			\$ 95,890,670	\$ 92,715,511
10.561	ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	32500			127,364	
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	32500			8,190,142	8,040,924
<i>Total for SNAP Cluster</i>					<u>\$ 104,208,176</u>	<u>\$ 100,756,435</u>
<b>Total For U.S. Department Of Agriculture</b>					<u><b>\$ 179,586,822</b></u>	<u><b>\$ 180,093,436</b></u>
 <b>United States Agency For International Development</b>						
<i>Unclustered</i>						
<i>Pass Through Non-State Entity:</i>						
98.012	USAID Development Partnerships for University Cooperation and Development	NDSU	Higher Education for Development	HED123-9722	\$ 12,142	\$
98.012	USAID Development Partnerships for University Cooperation and Development	NDSU	Higher Education for Development	HED123-9741-UGA-11-0	51,458	423,053
<i>Total for Unclustered</i>					<u>\$ 63,600</u>	<u>\$ 423,053</u>
<i>Research &amp; Development Cluster</i>						
<i>Pass Through Non-State Entity:</i>						
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	International Fertilizer Development Ctr	USAID-388-A-10 IFDC	\$	\$ 2,044
<i>Total for Research &amp; Development Cluster</i>					<u>\$</u>	<u>\$ 2,044</u>
<b>Total For United States Agency For International Development</b>					<u><b>\$ 63,600</b></u>	<u><b>\$ 425,097</b></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARD</b>					<u><b>\$ 1,781,473,578</b></u>	<u><b>\$ 1,877,008,131</b></u>

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**STATE OF NORTH DAKOTA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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**NOTE 1. PURPOSE OF THE SCHEDULE**

The Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule to the State's basic financial statements (BFS) and is presented for the purposes of additional analysis. The Schedule is required by Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Basis of Presentation

Federal Financial Assistance – Pursuant to the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, that non-federal entities receive or administer, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including food commodities, food stamps, vaccines, and donated surplus property is included in federal financial assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals. Contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Catalog of Federal Domestic Assistance – OMB Circular A-133 requires the Schedule to show the total expenditures for each of the State's federal financial assistance programs as identified in the Catalog of Federal Domestic Assistance (CFDA). The CFDA is a government-wide compendium of individual federal programs. Federal financial assistance programs that have not been assigned a CFDA number are indicated using the federal agency's two digit code as the prefix and three X's as the suffix (e.g. 10.XXX is a grant from the USDA).

Clusters of Programs – Closely related programs with different CFDA numbers that share common compliance requirements are to be considered a cluster of programs. The only program clusters presented on the Schedule are those mandated by OMB in the Circular A-133, *Compliance Supplement*.

B. Type A and Type B Programs

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the levels of expenditures to be used in defining Type A and Type B federal financial assistance programs. Type A assistance programs for the State of North Dakota are those programs that exceeded \$10,913,323 in federal expenditures, distributions, or issuances for the two-year period ended June 30, 2012.

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**STATE OF NORTH DAKOTA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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C. Reporting Entity

The Schedule includes all federal financial assistance programs administered by those State departments and entities included in the State's Comprehensive Annual Financial Report, except the departments audited by independent public accounting firms that file their own single audit with the federal clearinghouse. The departments not included in the Schedule are: Housing Finance Agency, Bank of North Dakota, Job Service North Dakota, Guaranteed Student Loan, Student Loan Trust, and Public Finance Authority.

D. Basis of Accounting

Federal financial assistance expenditures included in the Schedule are reported using the modified accrual basis of accounting, except for the following: colleges, universities, and enterprise entities reported expenditures on the accrual basis; the Department of Public Instruction, Division of Emergency Services, Office of the Governor, Secretary of State, Information Technology Department, State Library, Veterans' Home, Insurance Department, Department of Agriculture, State Historical Society, and Council on the Arts reported expenditures on the cash basis; and the Department of Human Services and the Health Department reported expenditures on the cash basis plus accrued payroll and accrued indirect costs.

Indirect Costs – The Schedule includes a portion of costs associated with general activities which are allocated to federal financial assistance programs under negotiated indirect cost rates or cost allocation plans.

Matching Costs – The Schedule does not include matching expenditures.

Nonmonetary Assistance – The Schedule contains values for several nonmonetary assistance programs. The Commodities and Vaccine programs are presented at the federally assigned values of the products distributed by the state. The Surplus Property program is presented at the fair market value of property received. The fair market value was estimated to be 23.3% of the property's original federal acquisition value.

Loan and Loan Guarantee Programs – Information on federal loan and federal loan guarantee programs is included in the Notes to the Schedule instead of on the Schedule itself.

Federal Transactions Between State Entities – Some state entities transfer federal assistance to other state entities (i.e., a pass-through of funds by the primary recipient state entity to a subrecipient state entity). In this case, the expenditures are recognized by the primary state entity on the Schedule of Expenditures of Federal Awards. Purchases of services between state entities using federal moneys are reported as expenditures by the purchasing entity and as revenues for services rendered by the providing entity.

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

Supplemental Nutrition Assistance Program (SNAP) Expenditures – The Supplemental Nutrition Assistance Program (SNAP) is presented at the dollar value of food stamp electronic benefit transfers authorized and used by recipients.

**NOTE 3. NONMONETARY ASSISTANCE INVENTORY**

As described previously in Note 2, nonmonetary assistance is reported in the Schedule based on the amount disbursed. At June 30, 2012 and 2011, the inventory balances of nonmonetary assistance were as follows:

<u>Nonmonetary Assistance</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>
Food Commodities	\$ 1,215,920	\$ 954,655
Donated Surplus Property	2,670,724	1,923,442
Vaccines	1,807,677	1,807,394
Total Inventory Balance	<u>\$ 5,694,321</u>	<u>\$ 4,685,491</u>

**NOTE 4. LOAN PROGRAMS**

The state administers two loan programs with continuing compliance requirements other than Student Financial Aid. At June 30, 2012 and 2011, the amount of loans receivable for each loan program were as follows:

<u>Loan Program</u>	<u>CFDA #</u>	<u>FY11</u>	<u>FY12</u>
Community Development Block Grants/State's Program	14.228	\$ 8,710,254	\$ 8,088,535
HOME Investment Partnerships Program	14.239	1,853,858	1,829,205
Total Loans Receivable		<u>\$ 10,564,112</u>	<u>\$ 9,917,740</u>

**NOTE 5. STUDENT FINANCIAL AID PROGRAMS**

Expenditures as included on the Schedule of Expenditures of Federal Awards for student financial assistance programs include refunds to grantors, administrative expenses, collection costs, litigation costs, etc.

Advances to students, loans receivable, and federal capital contributions for applicable loan programs for the fiscal years ended June 30, 2012 and 2011 are identified below:

<u>Student Financial Aid Program</u>	<u>CFDA #</u>	<u>FY11</u>	<u>FY12</u>
<b>Loan Advances:</b>			
Federal Family Education Loans	84.032	\$ 159,233,112	\$ 86,719,884

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

Federal Perkins Loan Program	84.038	4,601,798	3,474,232
Federal Direct Student Loans	84.268	26,063,149	35,800,738
Nurse Faculty Loan Program (NFLP)	93.264	3,000	50,850
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	91,098	41,948
Nursing Student Loans	93.364	534,981	473,958
Total Loan Advances		<u>\$ 190,527,138</u>	<u>\$ 126,561,610</u>
<b>Loans Receivable:</b>			
Federal Perkins Loan Program	84.038	\$ 11,981	\$ 5,099
Nurse Faculty Loan Program (NFLP)	93.264		104,327
Nursing Student Loans	93.364	11,495	4,000
Total Loans Receivable		<u>\$ 23,476</u>	<u>\$ 113,426</u>
<b>Federal Capital Contributions:</b>			
Federal Perkins Loan Program	84.038	\$ 38,354,092	\$ 36,684,340
Nurse Faculty Loan Program (NFLP)	93.264	92,760	132,648
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	601,690	567,893
Nursing Student Loans	93.364	2,971,155	3,037,629
Total Federal Capital Contributions		<u>\$ 42,019,697</u>	<u>\$ 40,422,510</u>

Loan advances represent new loans made directly by the institution for the Perkins, Nursing, and Health Professions loan programs. The colleges and universities are responsible for completing portions of the loan application, verifying student eligibility, filing enrollment verification reports, refunding money to lenders, and disbursing loan checks received from the lending institutions for Federal Family Education Loans.

Loans receivable are shown at gross and are derived from the financial records of the applicable college or university.

Federal capital contributions represent new federal funds received during the appropriate fiscal year and are derived from the financial records of the applicable college or university.

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

**NOTE 6. SUBRECIPIENTS**

State agencies administer a number of federal grants that in part or whole are provided to subrecipients. The amounts provided to subrecipients by state agencies are shown below by program title, federal agency, CFDA number, and year:

<b>Program Title</b>	<b>Federal Agency</b>	<b>CFDA Number</b>	<b>2011</b>	<b>2012</b>
Agricultural Research - Basic and Applied Research	USDA	10.001	\$ 14,634	\$ 9,268
Wildlife Services	USDA	10.028	40,000	
Market Protection and Promotion	USDA	10.163	98,156	102,688
Specialty Crop Block Grant Program	USDA	10.169	30,600	
Specialty Crop Block Grant Program - Farm Bill	USDA	10.170	445,967	257,447
Grants for Agricultural Research, Special Research Grants	USDA	10.200	100,707	414,693
Grants for Agricultural Research - Competitive Research Grants	USDA	10.206	16,786	24,055
Higher Education Challenge Grants	USDA	10.217	165,862	52,343
Agriculture and Food Research Initiative (AFRI)	USDA	10.310	532,132	701,725
School Breakfast Program	USDA	10.553	3,832,281	4,317,545
National School Lunch Program	USDA	10.555	18,261,209	19,733,046
Special Milk Program for Children	USDA	10.556	23,559	24,534
Special Supplemental Nutrition Program for Women, Infants, and Children	USDA	10.557	2,958,134	3,003,459
Child and Adult Care Food Program	USDA	10.558	10,221,381	10,409,054
Summer Food Service Program for Children	USDA	10.559	544,703	507,749
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	USDA	10.561	137,001	100,631
Commodity Supplemental Food Program	USDA	10.565	704,569	578,831
Food Distribution Program on Indian Reservations	USDA	10.567	2,886,841	3,323,763
ARRA - Emergency Food Assistance Program (Administrative Costs)	USDA	10.568	22,865	
Emergency Food Assistance Program (Administrative Costs)	USDA	10.568	49,267	18,450
Emergency Food Assistance Program (Food Commodities)	USDA	10.569	1,175,350	425,105
Team Nutrition Grants	USDA	10.574	31,950	4,500
ARRA - Child Nutrition Discretionary Grants Limited Availability	USDA	10.579	42,365	
Fresh Fruit and Vegetable Program	USDA	10.582	1,096,912	1,607,936
Cooperative Forestry Assistance	USDA	10.664	301,070	352,896
Rural Development, Forestry, and Communities	USDA	10.672	19,419	581
Forest Land Enhancement Program	USDA	10.677	684	

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

Rural Business Enterprise Grants	USDA	10.769	69,775	
Cochran Fellowship Program-International Training-Foreign Participant	USDA	10.962	40,680	
Economic Development - Technical Assistance	DOC	11.303	3,644	67,574
Unallied Industry Projects	DOC	11.452	80,908	
Applied Meteorological Research	DOC	11.468	132,709	59,640
Public Safety Interoperable Communications Grant Program	DOC	11.555	864,177	380,618
Basic and Applied Scientific Research	DOD	12.300	333,228	651,834
Military Medical Research and Development	DOD	12.420		1,124,585
Basic Scientific Research	DOD	12.431	455,351	710,032
High Performance Tunable Materials	DOD	12.XXX	203,652	
High Performance Tunable Materials Phase II	DOD	12.XXX	54,286	347,726
Rapid Prototyping of Miniature Sensors	DOD	12.XXX	50,000	
Tunable MicroRadio	DOD	12.XXX	118,022	
Tunable MicroRadio Phase II	DOD	12.XXX	2,256,254	117,422
Zero Standoff HERO Compliant pRFID Systems	DOD	12.XXX	817,611	144,285
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	HUD	14.228	12,029,548	6,383,748
Emergency Solutions Grant Program	HUD	14.231	321,566	263,049
Shelter Plus Care	HUD	14.238	255,841	203,180
HOME Investment Partnerships Program	HUD	14.239	2,232,171	1,493,342
ARRA - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - (Recovery Act Funded)	HUD	14.255	809,820	65,556
ARRA - Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	HUD	14.257	1,169,088	617,273
National Fire Plan - Wildland Urban Interface Community Fire Assistance	DOI	15.228	22,621	
National Fire Plan - Rural Fire Assistance	DOI	15.242	41,912	10,569
Sport Fish Restoration Program	DOI	15.605	1,261,757	2,337,567
Wildlife Restoration and Basic Hunter Education	DOI	15.611	112,189	204,597
Landowner Incentive Program	DOI	15.633	1,050	
State Wildlife Grants	DOI	15.634	253,777	341,024
Outdoor Recreation - Acquisition, Development and Planning	DOI	15.916	66,193	85,003
Sexual Assault Services Formula Program	DOJ	16.017	225,270	161,494
Juvenile Accountability Block Grants	DOJ	16.523	295,500	231,751
Supervised Visitation, Safe Havens for Children	DOJ	16.527	126,400	
Juvenile Justice and Delinquency Prevention - Allocation to States	DOJ	16.540	603,342	728,353
Missing Children's Assistance	DOJ	16.543	13,953	13,397
Crime Victim Assistance	DOJ	16.575	179,000	272,000

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

Crime Victim Compensation	DOJ	16.576	1,219,996	1,316,143
Crime Victim Assistance/Discretionary Grants	DOJ	16.582		2,402
ARRA - Violence Against Women Formula Grants	DOJ	16.588	388,005	
Violence Against Women Formula Grants	DOJ	16.588	765,434	738,782
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	DOJ	16.590	135,409	25,520
Residential Substance Abuse Treatment for State Prisoners	DOJ	16.593		4,160
Tribal Court Assistance Program	DOJ	16.608	470,441	186,185
Project Safe Neighborhoods	DOJ	16.609	43,603	52,335
Edward Byrne Memorial Justice Assistance Grant Program	DOJ	16.738	299,301	342,970
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	DOJ	16.803	534,468	248,870
Second Chance Act Prisoner Reentry Initiative	DOJ	16.812	138,450	180,404
ARRA - Senior Community Service Employment Program	DOL	17.235	73,314	
Senior Community Service Employment Program	DOL	17.235	993,858	588,056
Incentive Grants - WIA Section 503	DOL	17.267		257,377
Mine Health and Safety Grants	DOL	17.600	71,518	65,564
ARRA - Highway Planning and Construction	DOT	20.205	2,946,274	764,575
Highway Planning and Construction	DOT	20.205	12,895,424	24,649,488
Recreational Trails Program	DOT	20.219	476,865	335,541
Railroad Development	DOT	20.314		906,614
Federal Transit - Capital Investment Grants	DOT	20.500	556,803	259,446
Metropolitan Transportation Planning	DOT	20.505	2,008,243	2,150,174
ARRA - Formula Grants for Other Than Urbanized Areas	DOT	20.509	2,076,065	3,474,647
Formula Grants for Other Than Urbanized Areas	DOT	20.509	3,900,933	3,783,823
Capital Assistance Program for Elderly Persons and Persons with Disabilities	DOT	20.513	916,542	199,659
Job Access - Reverse Commute	DOT	20.516	351,351	410,593
New Freedom Program	DOT	20.521	168,414	222,074
State and Community Highway Safety	DOT	20.600	690,671	431,246
Alcohol Impaired Driving Countermeasures Incentive Grants I	DOT	20.601	533,735	536,728
Incentive Grant Program to Increase Motorcyclist Safety	DOT	20.612	98,121	71,398
University Transportation Centers Program	DOT	20.701	836,944	783,595
Interagency Hazardous Materials Public Sector Training and Planning Grants	DOT	20.703	176,179	158,071
Freezing Drizzle Phase 2 for the Aurora Group	DOT	20.XXX	8,694	

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

Octane Enhancers from Crop Oil	DOT	20.XXX	2,523	
Aeronautics	NASA	43.002	1,859	
Communicating Climate Change	NASA	43.XXX	60	7,074
Flood Mitigation of the Devils Lake Basin in North Dakota	NASA	43.XXX	10,790	3,010
Integrated Strategies for the Human Exploration of the Moon and Mars	NASA	43.XXX	42,700	37,391
Northern Great Plains Center for People and the Environment	NASA	43.XXX	329,051	62,086
Northern Great Plains Center for People and the Environment - Phase II	NASA	43.XXX	82,622	
Physical and Compositional Characterizations of Near-Earth Objects	NASA	43.XXX	5,851	
Upper Midwest Aerospace Consortium	NASA	43.XXX		169,705
Promotion of the Arts - Partnership Agreements	NEA	45.025	750,239	649,014
Engineering Grants	NSF	47.041	5,579	3,750
Mathematical and Physical Sciences	NSF	47.049	10,938	65,152
Computer and Information Science and Engineering	NSF	47.070	13,924	73,991
Biological Sciences	NSF	47.074	400,801	935,819
Social, Behavioral, and Economic Sciences	NSF	47.075	501	
Education and Human Resources	NSF	47.076	16,585	4,653
Office of Experimental Program to Stimulate Competitive Research	NSF	47.081	263,513	249,875
ARRA - Trans-NSF Recovery Act Research Support	NSF	47.082	157,680	949,235
Small Business Development Centers	SBA	59.037	151,032	249,229
State Clean Diesel Grant Program	EPA	66.040	43,155	579,308
Water Pollution Control State, Interstate, and Tribal Program Support	EPA	66.419	7,049	
ARRA - Water Quality Management Planning	EPA	66.454	58,519	48,980
Water Quality Management Planning	EPA	66.454	9,650	91,127
Nonpoint Source Implementation Grants	EPA	66.460	4,061,965	2,788,431
Regional Wetland Program Development Grants	EPA	66.461	20,503	15,186
Great Lakes Program	EPA	66.469	11,258	134,414
Performance Partnership Grants	EPA	66.605	100,927	88,481
ARRA - Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	EPA	66.802	3,501,487	1,394,017
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	EPA	66.802	929,923	158,292
State and Tribal Response Program Grants	EPA	66.817		10,000
ARRA - State Energy Program	DOE	81.041	4,589,327	6,214,988

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

State Energy Program	DOE	81.041	123,752	33,401
ARRA - Weatherization Assistance for Low-Income Persons	DOE	81.042	9,376,450	5,874,866
Weatherization Assistance for Low-Income Persons	DOE	81.042		1,373,802
Office of Science Financial Assistance Program	DOE	81.049	253,224	1,381,584
ARRA - Renewable Energy Research and Development	DOE	81.087		554,512
Renewable Energy Research and Development	DOE	81.087	353,364	460,998
Fossil Energy Research and Development	DOE	81.089	279,394	793,446
ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	DOE	81.122	88,783	29,126
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	DOE	81.128	3,955,091	3,116,383
Adult Education - Basic Grants to States	ED	84.002	714,069	756,812
Title I Grants to Local Educational Agencies	ED	84.010	34,500,372	34,781,795
Migrant Education - State Grant Program	ED	84.011	282,408	292,519
Special Education - Grants to States	ED	84.027	20,968,985	23,684,698
Career and Technical Education - Basic Grants to States	ED	84.048	2,843,031	2,563,259
Leveraging Educational Assistance Partnership Fund for the Improvement of Postsecondary Education	ED	84.069	9,600	
Rehabilitation Services - Vocational Rehabilitation Grants to States	ED	84.116	21,134	18,321
Migrant Education - Coordination Program	ED	84.126	67,450	117,909
Independent Living - State Grants	ED	84.144	10,000	6,000
Special Education - Preschool Grants	ED	84.169	358,084	166,137
Special Education-Grants for Infants and Families	ED	84.173	676,307	638,981
Safe and Drug-Free Schools and Communities - State Grants	ED	84.181	171,608	40,564
Education for Homeless Children and Youth	ED	84.186	337,553	28,489
Even Start - State Educational Agencies	ED	84.196	66,972	98,473
Assistive Technology	ED	84.213	316,784	246,570
Tech-Prep Education	ED	84.224	450,950	335,355
Twenty-First Century Community Learning Centers	ED	84.243	37,302	13,151
Educational Technology State Grants	ED	84.287	4,814,956	4,865,382
Special Education - State Personnel Development	ED	84.318	635,660	442,330
Reading First State Grants	ED	84.323	91,667	
Rural Education	ED	84.357	379,615	
	ED	84.358	15,930	37,250

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

English Language Acquisition State Grants	ED	84.365	213,095	383,796
Improving Teacher Quality State Grants	ED	84.367	11,787,407	11,307,052
School Improvement Grants	ED	84.377		332,150
ARRA - Education Technology State Grants, Recovery Act	ED	84.386	1,338,117	1,024,833
ARRA - Education for Homeless Children and Youth, Recovery Act	ED	84.387	85,682	
ARRA - School Improvement Grants, Recovery Act	ED	84.388	2,544,851	3,282,421
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	ED	84.389	11,937,127	5,549,896
ARRA - Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act	ED	84.390	61,746	
ARRA - Special Education - Grants to States, Recovery Act	ED	84.391	10,444,496	3,690,541
ARRA - Special Education - Preschool Grants, Recovery Act	ED	84.392	366,656	186,922
ARRA - Special Education - Grants for Infants and Families, Recovery Act	ED	84.393	95,025	76,775
ARRA - Independent Living State Grants, Recovery Act	ED	84.398	240,955	1,958
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	HHS	93.044	184,718	142,317
Public Health Emergency Preparedness	HHS	93.069	2,746,985	2,380,857
Maternal and Child Health Federal Consolidated Programs	HHS	93.110	20,000	12,957
Environmental Health	HHS	93.113	16,289	
Oral Diseases and Disorders Research	HHS	93.121		20,718
Injury Prevention and Control Research and State and Community Based Programs	HHS	93.136	150,353	124,975
Rural Health Research Centers	HHS	93.155		3,698
Family Planning - Services	HHS	93.217	958,951	729,875
Development and Coordination of Rural Health Services	HHS	93.223	105,086	174,628
Affordable Care Act (ACA) Abstinence Education Program	HHS	93.235	150,206	
State Rural Hospital Flexibility Program	HHS	93.241	335,908	280,431
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	HHS	93.243	59,494	
Immunization Cooperative Agreements	HHS	93.268	492,226	460,907
Alcohol Research Programs	HHS	93.273	202,861	123,818
Drug Abuse and Addiction Research Programs	HHS	93.279	27,204	19,229

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	HHS	93.283	564,309	584,346
Small Rural Hospital Improvement Grant Program	HHS	93.301	253,793	240,612
National Center for Research Resources	HHS	93.389	376,342	373,391
Promoting Safe and Stable Families	HHS	93.556	62,436	161,758
Temporary Assistance for Needy Families	HHS	93.558	4,523,317	5,379,140
Child Support Enforcement	HHS	93.563	131,428	130,356
Refugee and Entrant Assistance - State Administered Programs	HHS	93.566	611,494	489,024
Low-Income Home Energy Assistance	HHS	93.568		73,119
Community Services Block Grant	HHS	93.569	3,294,975	3,165,219
Child Care and Development Block Grant	HHS	93.575	1,144,995	1,088,151
Refugee and Entrant Assistance - Discretionary Grants	HHS	93.576	47,467	161,050
Refugee and Entrant Assistance - Wilson/Fish Program	HHS	93.583	395,824	
Refugee and Entrant Assistance - Targeted Assistance Grants	HHS	93.584	71,104	
Community-Based Child Abuse Prevention Grants	HHS	93.590	13,763	117,341
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	HHS	93.596	350,627	352,159
Head Start	HHS	93.600		6,251
Developmental Disabilities Basic Support and Advocacy Grants	HHS	93.630	334,418	156,432
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	HHS	93.632		22,139
Children's Justice Grants to States	HHS	93.643	31,532	39,491
Stephanie Tubbs Jones Child Welfare Services Program	HHS	93.645		136,121
Social Services Research and Demonstration	HHS	93.647	141,577	
Foster Care - Title IV-E	HHS	93.658	3,326,889	3,006,195
Adoption Assistance	HHS	93.659	57,421	40,247
Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	HHS	93.671	701,023	719,756
Chafee Foster Care Independence Program	HHS	93.674	408,484	312,497
ARRA - Trans-NIH Recovery Act Research Support	HHS	93.701	23,204	10,900
ARRA - Community Services Block Grant	HHS	93.710	812,751	
ARRA - Immunization	HHS	93.712	41,869	21,636
ARRA - Child Care and Development Block Grant	HHS	93.713	2,582,607	556,644

**STATE OF NORTH DAKOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

Children's Health Insurance Program	HHS	93.767	68,822	60,636
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	HHS	93.768	132,858	108,641
Medical Assistance Program	HHS	93.778	68,737	81,847
Area Health Education Centers Infrastructure Development Awards	HHS	93.824	156,357	
Biomedical Research and Research Training	HHS	93.859	15,942	
Specially Selected Health Projects	HHS	93.888	150,990	167,122
National Bioterrorism Hospital Preparedness Program	HHS	93.889	979,185	581,395
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	HHS	93.938	49,901	40,939
Block Grants for Community Mental Health Services	HHS	93.958	66,039	147,157
Block Grants for Prevention and Treatment of Substance Abuse	HHS	93.959	1,262,922	2,300
Health Professions Recruitment Program for Indians	HHS	93.970	75,043	63,292
Preventive Health Services - Sexually Transmitted Diseases Control Grants	HHS	93.977	10,000	8,104
Preventive Health and Health Services Block Grant	HHS	93.991	54,314	42,873
Maternal and Child Health Services Block Grant to the States	HHS	93.994	1,071,329	906,490
AmeriCorps	CNCS	94.006	568,493	593,949
High Intensity Drug Trafficking Areas Program	EOP	95.001	93,595	162,149
Pilot Demonstration or Earmarked Projects	DHS	97.001	132,965	
Boating Safety Financial Assistance	DHS	97.012	36,471	23,441
Flood Mitigation Assistance	DHS	97.029	1,122,301	65,119
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DHS	97.036	59,305,706	110,657,891
Hazard Mitigation Grant	DHS	97.039	7,606,752	3,028,681
Emergency Management Performance Grants	DHS	97.042	1,189,295	1,173,743
Pre-Disaster Mitigation	DHS	97.047	807,756	446,366
Interoperable Emergency Communications	DHS	97.055	26,669	4,892
Homeland Security Grant Program	DHS	97.067	5,840,579	4,108,494
State Homeland Security Program (SHSP)	DHS	97.073	23,760	
Buffer Zone Protection Program (BZPP)	DHS	97.078	5,557	109,819
Total Payments to Subrecipients			<u>\$ 346,602,685</u>	<u>\$ 374,107,748</u>

**STATE OF NORTH DAKOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Fiscal Years Ended June 30, 2012 and 2011  
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<u>STATE AGENCY</u>	<u>CFDA NUMBER</u>	<u>FEDERAL AGENCY</u>	<u>FINDING NUMBER</u>
Department of Commerce	14.228	HUD	12-1
Department of Health	10.557	USDA	12-2
Department of Human Services	93.720/93.777/93.778	HHS	12-3
Department of Human Services	93.720/93.777/93.778	HHS	12-4
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Department of Human Services	93.720/93.777/93.778	HHS	12-12
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Department of Human Services	93.720/93.777/93.778	HHS	12-14
Department of Human Services	93.720/93.777/93.778	HHS	12-15
Department of Human Services	93.720/93.777/93.778	HHS	12-16
Department of Human Services	93.575/93.596/93.713	HHS	12-17
Department of Human Services	93.575/93.596/93.713	HHS	12-18
Department of Human Services	93.575/93.596/93.713	HHS	12-19
Department of Human Services	93.575/93.596/93.713	HHS	12-20
Department of Human Services	93.575/93.596/93.713	HHS	12-21
Department of Human Services	93.575/93.596/93.713	HHS	12-22
Department of Human Services	93.575/93.596/93.713	HHS	12-23
Department of Human Services	93.575/93.596/93.713	HHS	12-24
Department of Human Services	93.558/93.714	HHS	12-25

**STATE OF NORTH DAKOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Fiscal Years Ended June 30, 2012 and 2011  
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Department of Human Services	Various	Various	12-26
Department of Human Services	Various	Various	12-27
Department of Public Instruction	Various	USDA	12-28
Department of Public Instruction	Various	Various	12-29
Department of Transportation	20.205	DOT	12-30
Department of Transportation	20.205	DOT	12-31
Department of Transportation	20.205	DOT	12-32
Department of Transportation	Various	DOT	12-33
Department of Transportation	Various	DOT	12-34
Department of Transportation	20.509	DOT	12-35
Department of Transportation	Various	Various	12-36
Game and Fish Department	Various	DOI	12-37
Game and Fish Department	Various	Various	12-38
Highway Patrol	20.218	DOT	12-39
Highway Patrol	20.218	DOT	12-40
Office of the Adjutant General	97.039	DHS	12-41
Office of the Adjutant General	97.039	DHS	12-42
Office of the Adjutant General	67.067	DHS	12-43
Office of the Adjutant General	Various	Various	12-44
Office of Management and Budget	Various	Various	12-45
Veterans Home	64.005	DVA	12-46
University of North Dakota	Various	ED	12-47
Bismarck State College	Various	ED	12-48

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**STATE OF NORTH DAKOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Fiscal Years Ended June 30, 2012 and 2011  
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North Dakota State University/University of North Dakota	12.xxx/47.049	DOD/NSF	12-49
Dakota College at Bottineau/Lake Region State College/Mayville State University/North Dakota State College of Science/Valley City State University/Williston State College	Various	Various	12-50
Williston State College	Various	ED	12-51
North Dakota State University	81.112	DOE	12-52
Dickinson State University	Various	ED	12-53

**STATE OF NORTH DAKOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

**SECTION I  
SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes
Type of auditors' report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

**Identification of major programs:**

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
10.500	Cooperative Extension Service
10.553/10.555/10.556/ 10.559	Child Nutrition Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
14.228/14.255	CDBG – State-Administered Small Cities Program Cluster
15.518	Garrison Diversion Unit

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**STATE OF NORTH DAKOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
15.605/15.611	Fish and Wildlife Cluster
20.205/20.219	Highway Planning and Construction Cluster
20.218	National Motor Carrier Safety
20.509	Formula Grants for Other than Urbanized Areas
64.005	Grants to States for Construction of State Home Facilities
81.041	State Energy Program
81.042	Weatherization Assistance for Low-Income Persons
81.128	Energy Efficiency and Conservation Block Grant
84.010/84.389	Title I, Part A Cluster
84.027/84.173/84.391/ 84.392	Special Education Cluster (IDEA)
84.126/84.390	Vocational Rehabilitation Cluster
84.287	Twenty-first Century Community Learning Centers
84.377/84.388	School Improvement Grants Cluster
84.397	State Fiscal Stabilization Fund Cluster
84.410	Education Jobs Fund
93.558/93.714	TANF Cluster
93.568	Low-Income Home Energy Assistance
93.569/93.710	CSBG Cluster
93.575/93.596/93.713	CCDF Cluster
93.659	Adoption Assistance
93.791	Money Follows the Person Rebalancing Demonstration
93.777/93.778/93.720	Medicaid Cluster
96.001	Disability Insurance/SSDI Cluster
97.039	Hazard Mitigation
97.067	Homeland Security Cluster

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**STATE OF NORTH DAKOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.007/84.033/84.037/ 84.063/84.375/84.376/ 84.379/93.264/93.342/ 93.407/93.925	Student Financial Assistance Cluster
R & D	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$10,913,323

Auditee qualified as a low risk auditee? No

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**STATE OF NORTH DAKOTA  
SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS**

**FINDING NUMBER: F11-1**

***Infrastructure Not Properly Capitalized***

**Condition:**

The Department of Transportation did not properly capitalize infrastructure as of June 30, 2011. Construction in progress for infrastructure was understated by \$37,640,468.

**Effect:**

The Department of Transportation's construction in progress additions required correction for inclusion in the 2011 Comprehensive Annual Financial Report.

**Cause:**

Methods used by the Department of Transportation to identify infrastructure for capitalization were changed and not properly communicated within the Department for accurate information to be accumulated.

**Criteria:**

*Internal Control – Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission states "pertinent information must be identified, captured, and communicated in a form and timeframe that enable people to carry out their responsibilities." In addition, the *Integrated Framework* states "[personnel] must understand their own role in the internal controls system, as well as how individual activities related to the work of others."

**Recommendation:**

We recommend the Department of Transportation properly capitalize infrastructure.

**Views of Responsible Officials / Planned Corrective Actions:**

The North Dakota Department of Transportation (NDDOT) agrees with the finding and recommendation.

As indicated in the narrative, the methodology used by DOT to identify infrastructure for capitalization was no longer providing completely accurate information. Fortunately, after this was discovered, the correct amounts for construction in progress were able to be identified soon enough to enable the State's Comprehensive Annual Report for 2011 to reflect proper information.

To resolve this issue for the future, NDDOT will review and redefine the methodology and criteria used to identify infrastructure for capitalization. Additionally, we will develop a process to insure that such criteria are kept current and responsive to changing conditions.

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**STATE OF NORTH DAKOTA  
SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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**FINDING NUMBER: F11-2**

***Proper Reconciliation of Motor Vehicle Clearing Account***

**Condition:**

The Department of Transportation is not properly reconciling the motor vehicle clearing account. Monies are transferred to the State Treasurer on a monthly basis, however the Department of Transportation has not accounted for unallocated funds remaining in the motor vehicle clearing account.

**Effect:**

The motor vehicle clearing account represents significant activity for the Department of Transportation with approximately \$190 million transferred to the State Treasurer during fiscal year 2011. Without a proper reconciliation, there is an unacceptable high risk or errors in the management of the motor vehicle clearing account and monthly transfer to the State Treasurer and related distributions.

**Cause:**

Prior recommendations for proper reconciliation procedures from the Department of Transportation's biennium ended June 30, 2009 audit and the audit of the 2009 Comprehensive Annual Financial Report have not been implemented.

**Criteria:**

Reconciliation procedures are identified as critically important controls by COSO (*Internal Control – Integrated Framework* by the Committee of Sponsoring Organizations of the Treadway Commission).

**Recommendation:**

We recommend the Department of Transportation implement procedures to properly reconcile the motor vehicle clearing account.

**Views of Responsible Officials / Planned Corrective Actions:**

The North Dakota Department of Transportation (NDDOT) agrees with the finding and recommendation.

Reconciliation of the motor vehicle clearing account is a very complex undertaking. The primary system involved in the processing of the related transactions is the Vehicle Titling and Registration System (VRTS). This system is extremely complex and it is used to process a multitude of unique transactions that are allocated to many separate funds as directed by our legislature. The reconciliation problems that have been encountered likely stem from procedural and/or information technology issues as related to the VRTS system. To successfully resolve this issue, NDDOT has assembled a large, multi-disciplinary task force. Currently, individuals with accounting, auditing, Motor Vehicle, and information technology expertise are actively pursuing a solution. Each unique category of transaction is being researched, mapped and traced through the VRTS system in a test environment. As

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**STATE OF NORTH DAKOTA  
SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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discrepancies are revealed through this process, procedural and/or information technology solutions will be developed, implemented, and further tested to ensure that a satisfactory solution is put in place.

**FINDING NUMBER: F12-1**

***Capital Asset Reporting***

**Condition:**

The Office of Management and Budget does not have adequate internal control to ensure capital assets are properly reported. Errors included agencies not reporting significant software systems and improperly deleting construction in progress. Additionally the PeopleSoft Asset system double counted capital assets.

**Effect:**

Capital assets and the related note disclosures are at risk of being misstated.

**Cause:**

Better training and communication is needed along with clearer reporting guidelines (CAFR closing packages). Additionally the Office of Management and Budget does not have procedures in place to ensure the capital asset control accounts reconcile with the detailed records.

**Criteria:**

The publication *Internal Control – Integrated Framework*, published by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission includes chapters on information and communication and control activities that address these areas.

**Recommendation:**

We recommend the Office of Management and Budget evaluate controls surrounding capital assets to 1) improve information and communication, including, where necessary, applicable training; 2) reconcile control accounts to detailed records; and 3) where applicable, add preventative or detective controls as necessary.

**Views of Responsible Officials / Planned Corrective Actions:**

The Office of Management and Budget agrees with the recommendation. OMB has adequate reporting guidelines available for agencies. However, we will continue to train and better communicate with the agencies to ensure closing packages are completed accurately. We will also develop controls to ensure control accounts reconcile to detailed records.

**FINDING NUMBER: F12-2 (Prior Audit Finding)**

***Reconciliation of Motor Vehicle Clearing Account***

**Condition:**

The Department of Transportation is not properly reconciling the motor vehicle clearing account. Monies are transferred to the State Treasurer on a monthly basis, but the Department of

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Transportation is unable to completely identify the proper allocation of the remaining funds. Consequently, monies remain undisbursed from the motor vehicle clearing account each month.

**Effect:**

Without a proper reconciliation, there is an unacceptable high risk or errors in the management of the motor vehicle clearing account and monthly transfer to the State Treasurer and related distributions.

**Cause:**

The Vehicle Registration and Titling System was not designed to provide the necessary reconciliations.

**Criteria:**

Proper reconciliation procedures are identified as critically important controls by COSO (*Internal Control – Integrated Framework* by the Committee of Sponsoring Organizations of the Treadway Commission).

**Recommendation:**

We recommend the Department of Transportation implement procedures to properly reconcile the motor vehicle clearing account.

**Views of Responsible Officials / Planned Corrective Actions:**

NDDOT agrees with the finding and recommendation. NDDOT is currently pursuing a method to successfully reconcile the clearing account and properly transfer all funds out of the account.

It should be noted that Motor Vehicle management and NDDOT internal audit staff have reviewed the collection and deposit activities for the Motor Vehicle Division and have determined that all revenues received are being deposited into the Motor Vehicle clearing account in the Bank of North Dakota.

Existing controls as well as controls that have been implemented are designed to ensure segregation of duties and verification that all funds are properly deposited and accounted for. Existing controls include the following: Online transactions are automatically deposited into the Motor Vehicle Clearing account at the Bank of North Dakota. In-house transactions are reconciled daily to the daily drawer report from the Vehicle Registration Titling System (VRTS). Motor Carrier funds received in-house are reconciled daily to the Commercial Vehicle Information System Network (CVISN).

Controls that have been implemented include: Each month the Bank of North Dakota clearing account is reconciled to ensure that proper supporting documentation is attached for all debits and credits passing through the account during the month. Branch payments are reconciled to drawer reports from VRTS once received in the Bismarck office. Should Motor Vehicle or Motor Carrier drawer report be over/short cash the discrepancy is tracked and reported to the employee's supervisor. This ensures that there are no patterns or consistency in the same individual having discrepancies. Motor Vehicle accounting staff has created a schedule to conduct random audits of any employee using a cash drawer. Each drawer will be audited once per quarter to ensure that the drawer is being used for its intended purpose and that all moneys are accounted for throughout the day.

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All funds are properly deposited and accounted for in the clearing account; however, the problem lies in the fact that the funds are not all being distributed out of the clearing account and transferred to the ND State Treasurer's Office for subsequent distribution.

Reconciliation of the motor vehicle clearing account is a very complex undertaking. The primary system involved in the processing of the related transactions is the Vehicle Titling and Registration System (VRTS). This system is extremely complex and it is used to process a multitude of unique transactions that are allocated to many separate funds as directed by our legislature. The reconciliation problems that have been encountered likely stem from procedural and/or information technology issues as related to the VRTS system since the VRTS system was not designed to have a financial reconciliation function. Also, any problems with distribution may stem from the fact that the current VRTS system is incapable of handling the complex and multiple distributions required by law.

To successfully resolve this issue, NDDOT has assembled a large, multi-disciplinary task force. Currently, individuals with accounting, auditing, Motor Vehicle, and information technology expertise are actively pursuing a solution. Each unique category of transaction is being researched, mapped and traced through the VRTS system in a test environment. As discrepancies are revealed through this process, procedural and/or information technology solutions will be developed, implemented, and further tested to ensure that a satisfactory solution is put in place.

To date the task force has determined and is in the process of implementing resolutions to several issues. One of the issues identified comes from the flow of moneys from CVISN into VRTS. It was determined that in some instances, transactions are being recorded into VRTS twice. A process has been implemented to cancel one of these transactions to prevent discrepancies in the distribution. Other items identified in the test environment are items that will be useful in the reconciliation of the distribution to the Bank of North Dakota clearing account. Some of the VRTS accounts are not included in distribution; these items need to be reconciled monthly. Items not included in distribution include: Suspended Monies Hold, Refund Distribution, Refund Hold, Returned Checks and RCT/Other Fund. Doc Prep has been identified as a possible balancing item however no resolution has been determined at this time. Because money is received and disbursed using these accounts they will require manual reconciliations to balance with the VRTS distribution amount.

Additionally, the VRTS system is approximately 12 years old and has major deficiencies that very significantly hinder the ability to meet the current Motor Vehicle registration and reporting needs, including the account reconciliation issue. Accordingly, NDDOT is addressing with the 2013 Legislature the need to replace the system

The department will continue to work towards a solution to fully resolve all issues.

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**SECTION III  
FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**DEPARTMENT OF COMMERCE**

Finding 12-1  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
CFDA # 14.228/14.255  
CDBG – State-Administered Small Cities Program Cluster

Questioned Cost: \$0

**Condition:**

The Department of Commerce did not complete the "Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons".

**Criteria:**

24 CFR section 135.90 requires this report to be filed.

**Cause:**

The report was not required in previous years due to no projects meeting the requirement and the Department of Commerce failed to realize the report was necessary until asked.

**Effect:**

Lack of compliance with federal reporting requirements.

**Recommendation:**

We recommend the Department of Commerce complete the "Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons" as required.

***Department of Commerce Response/Corrective Action Plan:***

Commerce agrees with the recommendation and will complete the report when required in the future.

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**DEPARTMENT OF HEALTH**

Finding 12-2  
U.S. DEPARTMENT OF AGRICULTURE  
CFDA # 10.557  
Food and Nutrition Service  
Special Supplemental Nutritional Program for Women, Infants, and Children (WIC)

Questioned Cost: \$0

**Condition:**

The Department of Health does not have procedures in place to detect errors for food instruments or cash-value vouchers deposited by vendors more than 60 days after the first date of use.

**Criteria:**

7 CFR 246.12(k)(1) states: "For printed food instruments and cash value vouchers the system also must detect the following errors...food instruments or cash-value vouchers transacted or redeemed after the specified time periods."

**Cause:**

There is no error code in place to ensure the date the vendor deposited the check at the first bank was within 60 days of the first date of use.

**Effect:**

Food instruments that had been deposited by the vendor more than 60 days after the first date of use would not have been detected and rejected.

**Recommendation:**

We recommend the Department of Health comply with 7 CFR 246.12(k)(1) by implementing procedures to detect if a vendor has deposited food instruments or cash-value vouchers more than 60 days after the first date of use.

***Department of Health Response/Corrective Action Plan:***

The Bank of North Dakota revised their check error review system and added *late deposits* to the list of items they examine for the WIC daily error report on September 28, 2012. That procedure has been implemented.

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**DEPARTMENT OF HUMAN SERVICES**

Finding 12-3

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Surveillance Utilization Review Section (SURS) sampling plan is not properly designed and executed to identify suspected cases of fraud within the Medicaid program. Some of the deficiencies include:

- Sampling activities are not properly documented;
- Sampling periods include short time frames;
- Samples are not expanded when errors are detected;
- Additional samples are not created when initial data probe yields no results;
- Sampling results are not tracked in a manner to identify patterns that may indicate fraud or abuse; and
- Errors detected are not investigated further to determine if fraud or abuse exists.

**Criteria:**

42 CFR part 455 requires states to have methods and criteria for identifying suspected fraud cases. One of those methods required is a properly designed and executed sampling plan.

**Cause:**

Failure to fully implement a prior Single Audit finding. During a majority of the audit period, the SURS unit did not have policies and procedures established to carry out a sampling plan as the SURS manual was not completed until June 2012. In addition, based on our discussions with the SURS unit personnel, observations of the unit, and prior audit experience there appears to be a lack of resources. For example, one individual is primarily responsible for investigating cases of suspected fraud and this individual also has other job duties not related to performing the fraud investigations.

**Effect:**

Significant provider and recipient errors could potentially exist within the North Dakota Medicaid program without being pursued or detected.

**Recommendation:**

We recommend the Department of Human Services ensure the SURS Unit develops a sampling plan that is properly designed and has adequate resources to execute the plan.

***Department of Human Services Response / Corrective Action Plan:***

The Department implemented a Sampling Plan Policy and Procedure, effective September 1, 2012. The SURS Unit will use the plan as a foundation for determining the frequency and type

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of audits the SURS Unit conducts. The Sampling Plan Policy and Procedure will continue to evolve as the SURS Unit becomes aware of any areas that need to be better defined or incorporated into current practices. Sampling period timeframes are determined by the volume of information required to review for each audit and staff available to conduct the reviews. In accordance with the Sampling Plan Policy and Procedure, when errors are detected during audits, the SURS Unit schedules follow up “compliance audits” in order to ensure that the providers are adhering to proper billing or documentation requirements. The Program Integrity Unit plans to procure an automated case management system in order to track, define and follow up on audits.

The Program Integrity Unit has also been granted additional staff as follows:

- 1.) A Program Integrity Audit Coordinator position (January 2012).
- 2.) An additional Provider Enrollment position; recruitment is underway for this position.
- 3.) A SURS Analyst position was authorized with a start date of January 2013.

Finding 12-4

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Surveillance Utilization Review Section (SURS) unit did not perform adequate preliminary investigations on cases of suspected fraud and abuse referred to the unit and did not adequately document the actions taken in the cases.

In addition, during a majority of the audit period the SURS unit of the Department of Human Services did not have sound methods or criteria for identifying suspected fraud cases, methods for investigating these cases, or procedures developed in cooperation with legal authorities, for referring suspected fraud cases to law enforcement officials. A SURS Fraud and Abuse manual became effective in the last month of the audit period, June 2012.

Out of 9 suspected cases of fraud sampled, we identified 4 instances where SURS did not conduct appropriate preliminary investigations of cases referred to them that may have ended in referrals to the States Attorney or Office of Inspector General (OIG) and 4 instances where actions taken in the case were not properly documented.

In addition, during the audit period, the SURS unit only forwarded 5 cases of suspected fraud or abuse to the OIG for prosecution. During the audit period \$19,231 was recouped as a result of fraud investigations.

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**Criteria:**

42 CFR part 455.13 requires states to have methods or criteria for identifying suspected fraud cases, methods for investigating these cases, and procedures, developed in cooperation with legal authorities, for referring suspected fraud cases to law enforcement officials.

42 CFR part 455.14 requires states to perform a preliminary investigation of Medicaid fraud or abuse reported to them to determine whether there is sufficient basis to warrant a full investigation.

42 CFR part 455.15 requires states to perform a full investigation and refer the case to an appropriate law enforcement agency if the findings of a preliminary investigation give the agency reason to believe that an incident of fraud or abuse has occurred in the Medicaid program.

**Cause:**

Failure to fully implement a prior Single Audit finding. In past Single Audits the Department of Human Services has expressed to the audit team that there is limited Medicaid fraud in North Dakota. As a result, the Department of Human Services has failed to provide adequate resources and guidance to the SURS unit so employees can adequately identify and investigate fraud and abuse. In addition, when cases of suspected fraud and abuse were identified by the SURS unit, inadequate documentation was maintained related to the actions taken by the SURS unit on the case.

**Effect:**

Cases of fraud or abuse may not be investigated and/or prosecuted as required.

**Recommendation:**

We recommend the Department of Human Services ensure preliminary investigations are properly documented and performed on all cases of fraud and abuse referred to the unit, determine whether there is a sufficient basis to warrant a full investigation, and refer those cases to the proper authorities as required.

***Department of Human Services Response / Corrective Action Plan:***

The SURS Unit created a Surveillance Utilization Review Section (SURS) Referral form in December 2011. Referrals are tracked on a State Form Number (SFN) 20 log. Starting June 2012, and until the resignation of the SURS Administrator, the SFN 20 log was reviewed at weekly meetings between the SURS Administrator and the Program Integrity Administrator. The creation of the SFN 20 log documents what steps are taken during preliminary investigations, the date the actions were taken and projected follow up deadlines.

The SURS Fraud and Abuse manual was effective June, 2012. The manual includes steps that may be appropriate in a preliminary investigation by the Department. Such considerations include: collecting claims data, analyzing claims trends, interviewing recipients or providers, and consulting with the county Eligibility Worker, Department staff or other individuals relevant to the referral, etc. After information is gathered and analyzed, and if appropriate, the Department

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proceeds with a referral to local law enforcement or an outside legal entity. The referral entity may conduct further additional investigation and/or pursue potential prosecution.

The SURS Unit conducts monthly “roundtable” meetings with the US States Attorney, agents from the Office of Inspector General (OIG), Medical Services Division Legal Advisory Unit, the Home and Community Based Services (HCBS) Administrator and other program personnel, as needed. As of October 30, 2012, and as a result of those meetings, the OIG has opened cases on two providers and one recipient based on referrals from the SURS Unit. The SURS Unit is also providing information to and actively participating in ongoing OIG investigations.

The SURS Unit has two active cases where providers are sanctioned due to concerns regarding their billing practices. The funds are in the process of being recouped from those two providers in the form of adjustments and checks. The SURS Unit has also cost avoided paying claims incorrectly due to enhanced auditing requirements. The Department has hired professional medical peer reviewers to assist with reviewing medical records associated with specific provider types and specialties. The Program Integrity Unit has budgeted for an automated case management system to assist with tracking, defining and following up on audit and fraud and abuse activities. The Department will ensure that preliminary investigations are properly documented.

The Program Integrity Unit has also been granted additional staff as follows:

- 1.) A Program Integrity Audit Coordinator position (January 2012).
- 2.) An additional Provider Enrollment position; recruitment is underway for this position.
- 3.) A SURS Analyst position was authorized with a start date of January 2013.

Finding 12-5

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Surveillance Utilization Review Section (SURS) unit does not operate independently of other Medicaid operations. The Medical Services Director ultimately decides the course of action to be taken by SURS. The following was noted:

- The SURS Administrator maintains case notes for each case reviewed. Per the case notes, three cases were identified where the Medical Services Director determined the course of action to be taken in the SURS case;
- The SURS Administrator indicated certain cases are reviewed with the Medical Services Director to determine how to handle the cases before taking additional action; and
- The SURS Fraud and Abuse Manual requires all quarterly and six month reviews to be prior approved by the Medical Services Director before execution.

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**Criteria:**

Section N of the OMB A-133 compliance supplement for the Medicaid program requires auditors to consider if the personnel conducting the reviews are sufficiently organized outside the control of other Medicaid operations to objectively perform their function.

**Cause:**

Failure to fully implement a prior Single Audit finding. As a result of a prior Single Audit finding the Department reorganized the Medicaid Division to organize the SURS unit outside other Medicaid operations. However, based on audit evidence reviewed, the reorganization of the Division did not result in changes being made to the oversight process and operations of the SURS unit.

**Effect:**

As there is a lack of independence between Medicaid operations and the SURS, the effectiveness of the unit may be diminished. SURS employees may be less likely to report irregularities knowing that the Medicaid Division may not consider the irregularities a problem. In addition the Medicaid Division may try to keep significant findings of the SURS from going forward to avoid any negative consequences the findings may have on the Medicaid Division.

**Recommendation:**

We recommend the Department of Human Services sufficiently organize the SURS unit outside the control of other Medicaid operations so the SURS unit can objectively perform their function.

***Department of Human Services Response / Corrective Action Plan:***

While the Department has implemented a process that includes vetting recommended audits to the DHS Cabinet for review and approval, the Department will implement an additional sign off process and will incorporate taking audit findings to the Cabinet for review and approval. Forms will be developed to document each step – and each person – that has potential influence on audit decisions. If any audit idea is rejected, the reason will be documented and the form will require signatures. Subsequently, once the audit is completed and findings are noted, if the proposed corrective action and/or sanctions are rejected or modified, the reason will be documented and the form will require signatures.

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Finding 12-6

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

During a majority of the audit period the Department of Human Services did not have written policies and procedures for Surveillance Utilization Review Section (SURS) functions. The Department created a new SURS manual effective June 2012. The following significant weaknesses in the new manual were identified:

- The manual does not explain how the SURS unit is to carry out the quarterly samples. For example, no guidance is given concerning quarterly sample sizes, if samples should be expanded when errors are identified, or how to document and track the results of the sampling activity; and
- The manual includes requirements that SURS reviews and schedules must have prior approval by the Director of Medical Services before execution, which is a violation Federal regulations due to lack of independence.

**Criteria:**

Under the regulation of 42 CFR 455.13, the State Medicaid agency must have methods and criteria for identifying and investigating suspected fraud cases. The regulations prescribe additional requirements for the effective functioning of the States' Medicaid program integrity operations.

Section N of the OMB A-133 compliance supplement for the Medicaid program requires auditors to consider if the personnel conducting the reviews are sufficiently organized outside the control of other Medicaid operations to objectively perform their function.

**Cause:**

Although the Department did develop a comprehensive SURS manual, not all required elements were included.

**Effect:**

The absence of clearly written policies and procedures leaves the SURS unit vulnerable to inconsistent operations and ineffective functioning.

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**Recommendation:**

We recommend the Department of Human Services update the SURS manual to ensure all requirements that SURS reviews and schedules have prior approval by the Medicaid Director before execution be removed and that it includes guidance about:

- Quarterly sample sizes;
- Expanding sample sizes when errors are identified; and
- How to document and track sampling activity.

***Department of Human Services Response / Corrective Action Plan:***

The Department will enhance the SURS manual to include all necessary criteria.

Finding 12-7

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

North Dakota does not have an established Medicaid Fraud Control Unit that is separate and distinct from the Department of Human Services.

**Criteria:**

42 CFR part 1007 requires all states to have a Medicaid Fraud Control Unit in operation that is separate from the Medicaid agency. 42 CFR parts 455, 456, and 1002 require cases of fraud to be properly identified and investigated.

**Cause:**

Failure to fully implement a prior Single Audit finding. The Department of Human Services contends that a waiver granted by the Federal Government in 1994, to waive the requirement of a Medicaid Fraud Control Unit, is still in effect despite significant changes in circumstances since it was granted. The Department of Human Services has been working with the Centers for Medicare & Medicaid Services (CMS) to resolve the prior audit finding related to the Medicaid Fraud Control Unit and as of the end of the audit period CMS has not provided a response to the Department of Human Services on this issue.

**Effect:**

Cases of fraud occurring within North Dakota's Medicaid program during the audit period were not properly identified, investigated, and referred to the proper authorities.

**Recommendation:**

We recommend the Department of Human Services apply for a new Federal waiver or work to create a Medicaid Fraud Control Unit that is separate and distinct from the Department of Human Services.

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***Department of Human Services Response / Corrective Action Plan:***

The Department will continue working with CMS and the appropriate action will be taken after a response is received.

Finding 12-8

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The annual Medicaid Management Information System (MMIS) security review performed by the Department of Human Services is not designed properly as it does not ensure that responses regarding access rights are received from all counties. Division directors and county directors are required to submit a response back to the Information Technology staff so the proper updates can be made to the MMIS system access rights but the Department has no policies or procedures in place to follow up with the counties that do not submit a response back to the Department. During the 2011 annual review, 5 counties did not submit responses back to the Information Technology staff and were never followed up on. In one instance, a county has not responded to the Department for the last 6 security reviews performed.

**Criteria:**

The Medicaid compliance supplement requires state agencies to conduct an ADP system security review on a biennial basis. As part of this review agencies are required to review software and data security.

**Cause:**

No policies or procedures are in place to deal with counties that don't submit responses for the security review.

**Effect:**

The possibility exists for unauthorized access to the MMIS system and possible violations of Health Insurance Portability and Accountability Act (HIPAA) regulations.

**Recommendation:**

We recommend the Department of Human Services develop policies and procedures to ensure the system security review is properly designed to include reviewing and updating access rights for all counties.

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***Department of Human Services Response / Corrective Action Plan:***

All counties have now confirmed the appropriate staff had access to MMIS in 2011. Also the county that hadn't responded for the past 5 years confirmed that the 5 previous year's security reviews were accurate, as the same 2 staff were listed each year. The Department will enhance the current policy to ensure all counties submit a security review response timely.

Finding 12-9

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Department of Human Services conducted a risk analysis for the Medicaid program, however the risk analysis performed did not include the following required elements:

- Physical security;
- Personnel practices;
- A review of all ADP system security installations such as eligibility systems; and
- Consideration of service organization internal controls.

**Criteria:**

The OMB Circular A-133 Compliance Supplement requires that state agencies establish and maintain a program for conducting a periodic risk analysis on the existing Medicaid systems including any additions/modifications to the systems. State agencies shall perform the analysis of the system on a biennial basis. The State agency shall maintain pertinent supporting documentation. 45 CFR section 95.621 lists the required elements.

**Cause:**

Failure to fully implement a prior Single Audit finding. The Department of Human Services does not have established policies and procedures in place requiring the completion of the risk assessment.

**Effect:**

As the risk analysis has not been properly completed there is the possibility that appropriate, cost effective safeguards will not be incorporated into new and existing systems. Security over different areas of the system can also become compromised bringing into question the validity of the data contained within the system.

**Recommendation:**

We recommend the Department of Human Services conduct a risk analysis of the Medicaid system and include all elements as required by the OMB Circular A-133 Compliance Supplement.

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***Department of Human Services Response / Corrective Action Plan:***

The Department will update the Medicaid risk analysis process to include the elements required by the OMB Circular A-133 Compliance Supplement.

Finding 12-10

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Department of Human Services did not submit drug rebate utilization data to CMS within 60 days after the end of the quarter. The non-compliance occurred during two quarters of the audit period.

**Criteria:**

Section 1927 (b)(2)(A) of the Social Security Act requires the data to be submitted within 60 days after the end of the quarter.

**Cause:**

The automation process developed by North Dakota's Information Technology Department to transfer the utilization data did not include several steps resulting in delays.

North Dakota's mainframe system automatically places USERIDs into a "Revoked" status if the USERID has not been active for more than 90 days. As the drug rebate process only happens quarterly there are instances where the electronic transfer of information is denied as the USERID used in the automatic transfer is in a "Revoked" status. Manual steps must be taken at that point resulting in additional delays.

**Effect:**

Noncompliance with federal laws and regulations.

**Recommendation:**

We recommend the Department of Human Services submit drug rebate utilization data to CMS within 60 days after the end of the quarter.

***Department of Human Services Response / Corrective Action Plan:***

The Department will work with the Information Technology Department to ensure drug rebate utilization data is submitted to CMS within 60 days after the end of the quarter.

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Finding 12-11

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Department of Human Services does not ensure that hospitals and nursing facilities meet the prescribed health and safety standards. In addition, documentation is not maintained that the provider has met the prescribed health and safety standards. 54 out of 59 case files reviewed did not have any documentation related to the prescribed health and safety standards.

**Criteria:**

The OMB Circular A-133 Compliance Supplement states “providers must meet the prescribed health and safety standards for hospitals, nursing facilities and ICF/MRs (42 CFR part 442).”

**Cause:**

The Department has not developed the required monitoring procedures to ensure all providers are meeting the standards.

**Effect:**

The Department runs the risk of enrolling providers who do not meet the prescribed health and safety standards. Providers who do not meet these standards are not eligible to receive payments through Medicaid.

**Recommendation:**

We recommend the Department of Human Services implement procedures to ensure nursing homes and hospitals meet the prescribed health and safety standards and maintain documentation that the provider has met the standards.

***Department of Human Services Response / Corrective Action Plan:***

The Department will develop a process to monitor the health and safety standards for all required providers and will maintain the necessary documentation on file.

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Finding 12-12  
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare and Medicaid Services  
CFDA # 93.720 / 93.777 / 93.778  
Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Department of Human Services does not monitor internal control activities of outside service organizations, such as by obtaining and reviewing the Reporting on Internal Controls at a Service Organization (SSAE 16) report . The Department submits Medicaid claims data to outside service organizations to process drug rebates, check claims for third party liability, and review Medicaid claims prior to payment.

**Criteria:**

Proper internal controls, as documented in the Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control - Integrated Framework, include monitoring procedures that ensure internal control continues to operate effectively. This process involves assessment by appropriate personnel of the design and operation of controls on a suitably timely basis, and the taking of necessary actions. It applies to all activities within an organization, and sometimes to outside contractors as well. For example, with outsourcing of health claims processing to a third-party administrator, and such processing directly affecting benefits' costs, the entity will want to monitor the functioning of the administrator's activities and controls.

**Cause:**

The Department of Human Services does not have established policies and procedures related to monitoring the control activities of outside service organizations.

**Effect:**

Claims data submitted to outside service organizations may be exposed to risks such as unauthorized access by outside service organization employees, data being used inappropriately at the service organizations, and possible breach of security by hackers.

**Recommendation:**

We recommend the Department of Human Services establish policies and procedures to ensure the control activities at outside services organizations are properly monitored on a timely basis.

***Department of Human Services Response / Corrective Action Plan:***

The Department of Human Services currently obtains a Business Associate Agreement with vendors who receive confidential information as part of their work on behalf the Department. The Department will develop a list of all outside service organizations that are under contract with the Department, and through the course of their work have access to confidential information. Annually, the Department will request a copy of the Reporting on Internal Controls

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at a Service Organization (SSAE 16) report for each organization on the list. As new contracts are initiated, the Procurement Officer and Contract Officer will determine if the organization should be added to the master list.

Finding 12-13

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Department of Human Services does not have a process in place to ensure access rights to the fee schedule in the Medicaid System are appropriate.

**Criteria:**

Proper internal controls, as documented in the Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control - Integrated Framework, include limiting access to computer systems to only individuals that need access for their job duties and ensuring proper segregation of duties.

**Cause:**

The Department does not have written policies and procedures related to monitoring fee schedule access rights.

**Effect:**

The possibility exists for unauthorized changes being made to the fee schedule resulting in overpayments being made with Medicaid funds.

**Recommendation:**

We recommend the Department of Human Services develop procedures to ensure access rights to the Medicaid fee schedule are reviewed on a recurring basis to ensure access is properly limited.

***Department of Human Services Response / Corrective Action Plan:***

The Department will develop procedures to ensure access rights to Medicaid fee schedules are reviewed annually.

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Finding 12-14

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Department of Human Services does not have a process in place to ensure access rights to the Vision eligibility system are appropriate.

**Criteria:**

Proper internal controls, as documented in the Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control - Integrated Framework, include limiting access to computer systems to only individuals that need access for their job duties and ensuring proper segregation of duties.

**Cause:**

The Vision eligibility system access rights were not addressed in the MMIS risk assessment performed.

**Effect:**

The possibility exists for unauthorized changes being made to eligibility records and violations of Health Insurance Portability and Accountability Act (HIPAA) regulations.

**Recommendation:**

We recommend the Department of Human Services develop procedures to ensure access rights to the Vision eligibility system are reviewed on a recurring basis to ensure access is properly limited.

***Department of Human Services Response / Corrective Action Plan:***

The Department will develop procedures to ensure access rights to the Vision system are reviewed on a recurring basis.

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Finding 12-15

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare and Medicaid Services  
CFDA # 93.720 / 93.777 / 93.778  
Medicaid Cluster

Questioned Cost: \$0

**Condition:**

The Department of Human Services (DHS) did not maintain the required eligibility documentation in the provider eligibility files. Out of 59 eligibility files reviewed, 23 files did not contain current license information, 4 files did not contain any eligibility checklists, and 1 case file did not contain a provider agreement. Findings related to provider eligibility files have been issued in the previous three Single Audits.

**Criteria:**

The North Dakota Medicaid State Plan section 4.13 requires DHS to obtain a provider agreement.

42 CFR part 455, subpart B (sections 455.100 - 455.106) discusses required disclosure of information by providers including tax information.

In order to receive Medicaid payments providers of medical services must be licensed in accordance with Federal, State, and local laws and regulations (42 CFR sections 431.107 and 447.10; and section 1902 (a) (9) of the Social Security Act)

**Cause:**

Failure to fully implement a prior Single Audit finding. Starting in February 2011, the Department has hired additional temporary help to begin updating provider eligibility files. Management indicated that not all files have been updated at this time.

**Effect:**

The Department of Human Services could be inappropriately paying ineligible providers with Medicaid funds.

**Recommendation:**

We recommend the Department of Human Services continue updating Medicaid provider eligibility files to ensure current license information, eligibility checklists, and provider agreements are maintained within the provider eligibility files.

***Department of Human Services Response / Corrective Action Plan:***

In 2011, the Department added two temporary staff to update the provider files. The temporary staff are working through the various provider types. To date, work has been done to update files for various types of providers, including: Pharmacy, Ambulance, Nursing Homes, Basic Care, Hospital, Rural Health Clinics and Federally Qualified Health Centers. Work is under way to update the files for transportation providers and clinics. Over 5,000 provider files have been

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addressed through this effort. The Department will continue the effort until all files have been updated. In addition, the Department is expecting the new Medicaid Management Information System to be implemented October 2013. All providers will need to re-enroll prior to implementation.

Finding 12-16

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.720 / 93.777 / 93.778

Medicaid Cluster

Questioned Cost: \$0

**Condition:**

Other than overpayments related to developmental disabilities settlements, hospital settlements, and dental settlements, the Department of Human Services does not have a process in place for ensuring overpayments made to providers of medical services are credited to the Medicaid program within 1 year of identification of the overpayments.

**Criteria:**

Section 6506 of the Affordable Care Act states overpayments to providers of medical services must be credited to the Medicaid program within 1 year of identification of the overpayment.

**Cause:**

Failure to fully implement a prior Single Audit finding. DHS is aware of the noncompliance but has not placed enough priority on the issue to get it fixed.

**Effect:**

The Medicaid program may not be credited timely for overpayments made to providers.

**Recommendation:**

We recommend the Department of Human Services credit the Medicaid program for overpayments made to providers of medical services within 1 year of identification of the overpayment.

***Department of Human Services Response / Corrective Action Plan:***

The Department is aware of the limitations within the current MMIS related to tracking overpayments. Due to the large number of critical and required system changes needed, the work order that has been submitted has not been addressed; however, the Department will continue to ensure this work order is considered when system changes are discussed and prioritized.

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Finding 12-17

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575 / 93.596 / 93.713

CCDF Cluster

Questioned Cost: \$0

**Condition:**

Child Care eligibility workers have the ability to process duplicate and other improper payments in the Child Care Assistance System. Weaknesses within the system are identified as the following: one child can be entered with multiple social security numbers; the same child can be entered with first and last name switched; the state rate maximum is only calculated on a per payment basis not a per month basis; payments can be made to multiple providers in one month; and exception reports are not generated and reviewed.

**Criteria:**

OMB Circular A-133 Compliance Supplement, Section 6 for Internal Control state that computer and program controls should include edit checks.

The Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control – Integrated Framework states that there should be a variety of control activities suited to information systems to ensure accuracy and completeness including edit checks used to control data entry.

**Cause:**

There is a lack of built-in system controls in the Child Care Assistance System to prevent duplicate and other improper payments.

**Effect:**

Child Care eligibility workers can process duplicate and other improper payments without detection. Also, the identified weaknesses could allow for fraudulent payments to occur whether they are initiated by recipients, providers, or eligibility workers.

**Recommendation:**

We recommend the Department of Human Services properly implement system controls to prevent duplicate and other improper payments from being made from the Child Care Assistance System.

***Department of Human Services Response / Corrective Action Plan:***

The Department submitted a work request in August 2012 to address the system weaknesses identified above. In addition, the Department will continue to sample and review case files to ensure duplicate and other improper payments weren't made.

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Finding 12-18  
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Administration for Children and Families  
CFDA # 93.575 / 93.596 / 93.713  
CCDF Cluster

Questioned Cost: \$270

**Condition:**

The Child Care Assistance program did not have controls developed or implemented to ensure that benefit payments were being issued for the appropriate amounts using applicable supporting documents for necessary calculations. Of the 60 benefit payments tested, 3 were issued for incorrect amounts. The total error amount was \$270. These errors, when projected against the entire population, project to a possible error of \$318,104.

**Criteria:**

The Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control – Integrated Framework identifies having appropriate supporting documentation for transactions as a necessary control activity.

The OMB Circular A-133 Compliance Supplement for the CCDF Cluster states that lead agencies shall establish a sliding fee scale, based on family size, income, and other appropriate factors, that provides for cost sharing by families that receive CCDF child care services.

Part 6 of the OMB Circular A-133 Compliance Supplement states that computations should be checked for accuracy.

**Cause:**

Failure to fully implement a prior Single Audit finding. Two of the identified errors occurred as results of incorrect calculations of household income completed by eligibility workers. All applicable income information was available when the household income was calculated. The other identified error derived from a lack of supporting documentation. A daycare billing form showing the number of hours of care and the total amount billed was not included as support. We were unable to calculate the amount of the payment that may have been proper without this information.

**Effect:**

The lack of controls resulted in over payments being made to Child Care Assistance recipients and potential for additional improper payments to be made.

**Recommendation:**

We recommend the Department of Human Services develop and implement controls to ensure that benefit payments are being issued for appropriate amounts using applicable supporting documents for necessary calculations.

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***Department of Human Services Response / Corrective Action Plan:***

The Department of Human Services will continue to train the county eligibility workers surrounding the input of data into the Child Care Assistance System. In addition, the Department will continue to sample and review case files to ensure necessary supporting documents are maintained and benefit payments are properly calculated.

Finding 12-19

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575 / 93.596 / 93.713

CCDF Cluster

Questioned Cost: \$0

**Condition:**

The Child Care Assistance Program does not have any written policies or procedures in place for identifying or recovering potential provider fraudulent payments that are a result of intentional program violations.

**Criteria:**

The 45 CFR 98.60 (2)(h)(i) states "Lead Agencies shall recover child care payments that are a result of fraud. These payments shall be recovered from the party responsible for committing the fraud."

The Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control – Integrated Framework states that control policies and procedures must be established and executed to help ensure that the actions identified by management as necessary to address risks to achievement of the entity's objectives are effectively carried out.

**Cause:**

The Department of Human Services did not develop written policies or procedures for identifying or recovering potential provider fraud.

**Effect:**

Potential provider fraud occurring in the Child Care Assistance Program may not be identified or recovered.

**Recommendation:**

We recommend the Department of Human Services develop written policies and procedures for identifying and recovering potential provider fraud within the Child Care Assistance Program.

***Department of Human Services Response / Corrective Action Plan:***

The Department will document, in writing, our policies and procedures for identifying and recovering potential provider fraud within the Child Care Assistance Program.

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Finding 12-20  
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Administration for Children and Families  
CFDA # 93.575 / 93.596 / 93.713  
CCDF Cluster

Questioned Cost: \$0

**Condition:**

Individuals at the Child Care Assistance Program are not monitoring intentional program violations to ensure all identified fraudulent payment amounts are properly entered onto the Child Care Assistance System for recoupment.

**Criteria:**

OMB Circular A-133 Compliance Supplement Part 6 for Internal Controls states that program controls should include review of input and output data.

**Cause:**

The Department of Human Services did not assign responsibility for monitoring intentional program violations to ensure all fraudulent payment amounts are properly entered onto the Child Care Assistance System for recoupment.

**Effect:**

All identified fraudulent payments may not be properly recouped.

**Recommendation:**

We recommend the Department of Human Services assign responsibility for monitoring intentional program violations ensuring that all identified fraudulent payment amounts are properly entered onto the Child Care Assistance System for recoupment.

***Department of Human Services Response / Corrective Action Plan:***

Child Care State Plan and Policy for intentional program violations were effective October 1, 2011. In February 2013, the Child Care Assistance System was updated to allow for the ability to track these within the system.

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Finding 12-21  
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Administration for Children and Families  
CFDA # 93.575 / 93.596 / 93.713  
CCDF Cluster

Questioned Cost: \$0

**Condition:**

The Child Care Assistance Program does not conduct compliance inspections of all self-declared providers that would ensure health and safety requirements are being met.

**Criteria:**

45 CFR 98.41 (d) states "each lead agency shall certify that procedures are in effect to ensure that child care providers of services for which assistance is provided under this part, within the area served by the lead agency, comply with all applicable State, local, or tribal health and safety requirements."

**Cause:**

The Child Care Assistance Program did not develop procedures to perform compliance inspections for self-declared providers to ensure that they are complying with applicable health and safety requirements.

**Effect:**

There is potential for health and safety hazards to exist and go undetected. Also, the Child Care Assistance Program is not following regulations set by the federal government.

**Recommendation:**

We recommend the Department of Human Services develop and implement compliance inspections to ensure that all self-declared providers meet applicable health and safety requirements.

***Department of Human Services Response / Corrective Action Plan:***

In the application for self-declaration, applicants must certify annually that they will meet the health and safety standards outlined in NDAC 75-03-07.1. These procedures are also described in the Department's federally approved state plan.

The Department has the authority to inspect self-declared programs, and does so, when a concern exists. These concerns are most often reported by parents or by USDA Food Program Representatives who monitor these programs three times per year if the self-declared provider participates in the food program.

The Department will continue to monitor self-declared providers whenever a concern exists and will continue to partner with the USDA Food Programs and any other agency which serves the self-declared provider population in an effort to increase oversight of these programs.

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In April 2012, the Department began the process to have administrative rules revised for self-declared child care providers, requiring a basic child care training, prior to approval. This training will be 4.5 hours in length and will ensure that providers clearly understand the health and safety requirements before agreeing to follow them. In December 2012, this administrative rule change was approved and made effective January 1, 2013.

Finding 12-22

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575 / 93.596 / 93.713

CCDF Cluster

Questioned Cost: \$0

**Condition:**

The Quality Assurance Division of the Department of Human Services does not perform verifications to ensure that cases from all counties have been reviewed over a specified period of time for the Child Care Assistance Program.

**Criteria:**

The Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control – Integrated Framework states that the entire sub-recipient monitoring process must be monitored and modifications made as necessary. In this way, the system can react dynamically, changing as conditions warrant.

The OMB Circular A-133 Compliance Supplement for Child Care Assistance states that lead agencies shall oversee the expenditure of funds by sub-grantees, monitor programs and services, and ensure that sub-grantees that determine eligibility operate according to rules established by the program.

**Cause:**

The sample of cases reviewed by the Quality Assurance Division is pulled randomly instead of ensuring some get pulled from each of the counties.

**Effect:**

Since the State is not reviewing work completed by all counties, the counties may not be properly determining eligibility but the State may not be aware of and able to correct any improper procedures in place.

**Recommendation:**

We recommend the Department of Human Services adjust the sampling procedures used by the Quality Assurance Division to gain assurance that Child Care Assistance case files from all counties have been reviewed over a specified period of time.

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***Department of Human Services Response / Corrective Action Plan:***

The Department will continue to pull a random sample and will update procedures to ensure a case file is reviewed from each county every 5 years.

Finding 12-23

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575 / 93.596 / 93.713

CCDF Cluster

Questioned Cost: \$0

**Condition:**

The Department of Human Services was unable to provide 5 of the 23 payroll certifications requested for testing.

**Criteria:**

Part 6 of the OMB Circular A-133 Compliance Supplement states that accountability should be provided for charges and costs between Federal and non-Federal activities.

OMB Circular A-87, Section 8 (h)(3) states “where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.”

**Cause:**

The Department of Human Services did not assign responsibility for verifying the receipt of all applicable Child Care Assistance payroll certifications.

**Effect:**

Potential for unauthorized payroll to be charged to the Child Care program.

**Recommendation:**

We recommend the Department of Human Services properly assign responsibility for verifying receipt of all applicable federal program payroll certifications.

***Department of Human Services Response / Corrective Action Plan:***

The Department will review internal controls and make necessary changes to ensure all federal program payroll certifications are completed and maintained on file.

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Finding 12-24  
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Administration for Children and Families  
CFDA # 93.575 / 93.596 / 93.713  
CCDF Cluster

Questioned Cost: \$0

**Condition:**

No controls exist for ensuring that individual eligibility workers are collecting and maintaining all applicable information for Child Care Assistance eligibility determinations and benefit payments. During our testing, 48 of 60 of the cases had missing information such as the following: birth certificates, pay stubs, daycare billing forms, and school schedule verifications. This information had to be re-requested by the county eligibility workers.

**Criteria:**

Part 6 of the OMB Circular A-133 Compliance Supplement states that a manual criteria checklist or automated process should be used in making eligibility determinations.

Part 4 of the OMB Circular A-133 Compliance Supplement for the CCDF Cluster, section III(E)(1) states that lead agencies must have in place procedures for documenting and verifying eligibility in accordance with federal requirements.

The Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control – Integrated Framework identifies having appropriate supporting documentation for transactions as a necessary control activity.

**Cause:**

The Department of Human Services did not develop or implement controls for ensuring that individual eligibility workers are collecting and maintaining all applicable information for Child Care Assistance eligibility determinations.

**Effect:**

The lack of controls may result in benefit payments being issued for an individual that should not have been deemed eligible for the Child Care Assistance Program. Also, benefit payments could be fraudulent or inaccurate due to missing information.

**Recommendation:**

We recommend the Department of Human Services develop and implement controls to ensure that all individual eligibility workers are collecting and maintaining all applicable information for Child Care Assistance eligibility determinations.

***Department of Human Services Response / Corrective Action Plan:***

The Department will continue to train eligibility workers to ensure the applicable eligibility information is collected and maintained in the case file. In addition, the Department will

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continue to sample and review case files to ensure necessary supporting documents are maintained.

Finding 12-25

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.558 / 93.714

TANF Cluster

Questioned Cost: \$0

**Condition:**

There are weaknesses surrounding the Temporary Assistance for Needy Families (TANF) case monitoring reviews, including the following:

- When determining which of the available TANF cases to complete a monitoring review of every month, the Department of Human Services Quality Control Division manually goes through the prior completed reviews and selects different counties that they haven't visited recently to try to cover all of the different counties; however, there is no documentation that this review of prior monitoring took place or that all counties are being selected for review over a reasonable period of time.
- To ensure any responses from the counties on findings that resulted from the TANF case monitoring reviews are received timely (within 20 days), the Department of Human Services Quality Control Division regularly reviews a manual file of all findings. However there is no documentation that this review took place and is being done timely.

**Criteria:**

The Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control – Integrated Framework states that the entire subrecipient monitoring process must be monitored and modifications made as necessary. In this way, the system can react dynamically, changing as conditions warrant.

**Cause:**

The Department of Human Services Quality Control Division does not have an overall spreadsheet to track all of the TANF monitoring reviews they have done and any findings and responses that resulted from these reviews.

**Effect:**

Counties may not be following TANF guidelines and it would not be detected if these counties never get selected for review.

Counties may not be responding to findings timely and DHS may not be aware of it.

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**Recommendation:**

We recommend the Department of Human Services implement the use of an electronic spreadsheet for tracking all of the completed TANF Quality Control monitoring reviews along with any findings and responses that resulted from these reviews. This spreadsheet could then be utilized to ensure that all counties are subject to review over a reasonable period of time.

**Department of Human Services Response / Corrective Action Plan:**

In October, 2012, the Department implemented the use of an electronic spreadsheet to track all TANF Quality Control monitoring reviews.

Finding 12-26

VARIOUS FEDERAL AGENCIES

CFDA # Various

Various Federal Programs

Questioned Cost: \$0

**Condition:**

Accounting entries that adjust expenditures for all Federal programs are assigned risk categories; however, the high risk adjusting entries are not properly reviewed and approved by a program manager.

**Criteria:**

OMB Circular A-133 Compliance Supplement Part 6 states that control activities are the policies and procedures that help ensure that management's directives are carried out and these activities include personnel with adequate knowledge and experience to discharge responsibilities.

OMB Circular A-133 Compliance Supplement Part 6 also states that for the compliance requirements of activities allowed or unallowed and allowable costs/cost principles, accountability for authorization should be fixed in an individual who is knowledgeable of the requirements for determining activities allowed and allowable costs.

The Committee of Sponsoring Organizations (COSO) of the Treadway Commission's Internal Control – Integrated Framework states that managers and supervisors must have sufficient time and resources to carry out their responsibilities effectively.

**Cause:**

Each program area within the Department has a liaison accountant who prepares high risk adjusting entries when necessary. The Department has one individual who approves all of these transactions and did not believe it was necessary to have the program manager approve these high risk adjusting entries. Due to the nature of these transactions, one individual would not have the required program knowledge (including but not limited to allowable activities,

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allowable costs, matching/level of effort/earmarking requirements, period of availability, or reporting requirements) nor would they have sufficient time to obtain such knowledge in order to adequately review and approve these high risk transactions.

**Effect:**

Accounting transactions adjusted within the state's accounting system may violate Federal compliance requirements and go undetected in the approval process.

**Recommendation:**

We recommend the Department of Human Services ensure high risk accounting entries that adjust expenditures for Federal programs are properly reviewed and approved by a program manager.

***Department of Human Services Response / Corrective Action Plan:***

The Department will have a program manager approve all high risk accounting entries.

Finding 12-27  
VARIOUS FEDERAL AGENCIES  
CFDA # Various  
Various Federal Programs

Questioned Cost: \$0

**Condition:**

The Department of Human Services does not have a process in place to determine that all necessary grants are reported on the Schedule of Federal Expenditures (SEFA). For the grants that are reported, there is no documented evidence to show that they are being properly reviewed for accuracy.

In addition, the SEFA prepared by the Department of Human Services was inaccurate, which caused the Office of Management and Budget to process corrections to the statewide SEFA.

The following errors were noted on the fiscal year 2011 SEFA:

- The amount of regular expenditures for the Supplemental Nutrition Assistance Program (CFDA #10.551) was over reported by \$265,610.
- The amount of regular expenditures for the Temporary Assistance for Needy Families Program (CFDA # 93.558) was under reported by \$400,000.
- The amount of regular expenditures for the Foster Care Program (CFDA #93.658) was over reported by \$25,199.
- The amount of ARRA expenditures for the Foster Care Program (CFDA #93.658) was under reported by \$19,206.
- The amount of regular expenditures for the Adoption Assistance Program (CFDA #93.659) was over reported by \$84,350.
- The amount of ARRA expenditures for the Adoption Assistance Program (CFDA #93.659) was under reported by \$3,689.

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- The amount shown as being provided to subrecipients for the Aging Program (CFDA #93.044) was over reported by \$53,262.
- The basis used by the Department of Human Services was different than the one identified on the SEFA for the following programs: Supplemental Nutrition Assistance (CFDA #10.561), Vocational Rehabilitation (CFDA #84.126), Child Support Enforcement Program (CFDA #93.563), Child Care Assistance Program (CFDA 93.575 - subrecipient amount), Temporary Assistance for Needy Families Program (CFDA # 93.558 - subrecipient amount), Low Income Home Energy Assistance Program (CFDA # 93.568), Foster Care Program (CFDA # 93.568- subrecipient amount), and Adoption Assistance (CFDA #93.659- subrecipient amount) and Money Follows the Person (CFDA #93.791).

The following errors were noted on the fiscal year 2012 SEFA:

- The amount of expenditures for the Supplemental Nutrition Assistance Program (CFDA #10.561) was under reported by \$96,750.
- The amount of expenditures for the Adoption Assistance Program (CFDA #93.659) was over reported by \$41,649.
- The basis used by the Department of Human Services was different than the one identified on the SEFA for the following programs: Supplemental Nutrition Assistance Program (CFDA #10.561), Child Support Enforcement Program (CFDA #93.563), Temporary Assistance for Needy Families (CFDA #93.558- subrecipient amount) Low Income Home Energy Assistance Program (CFDA #93.568), Foster Care Program (CFDA #93.658), and Money Follows the Person (CFDA #93.791)

**Criteria:**

OMB Circular A-133.310(b)(1-6), states that the grantee is responsible for the accurate preparation of the Schedule of Expenditures of Federal Awards.

**Cause:**

Failure to fully implement a prior Single Audit finding. Inaccurate information is being reported due to a lack of adequate review of information being reported on the SEFA.

**Effect:**

Inaccurate information is being reported for several different federal programs.

**Recommendation:**

We recommend that the Department of Human Services comply with OMB Circular A-133 when preparing the Schedule of Expenditures of Federal Awards and conduct adequate reviews of information being reported to ensure all of the information included is proper.

***Department of Human Services Response / Corrective Action Plan:***

The Department has consistently used a modified cash basis for reporting SEFA numbers in order to report expenditures processed through the State's cost allocation system. Future SEFA's will be prepared on a strictly cash basis which will ensure all information included is proper.

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**DEPARTMENT OF PUBLIC INSTRUCTION**

Finding 12-28  
U.S. DEPARTMENT OF AGRICULTURE (USDA)  
CFDA # 10.553 / 10.555 / 10.556 / 10,559 and 10.558  
Child Nutrition Cluster  
Child and Adult Care Food Program

Questioned Cost: \$0

**Condition:**

The Department of Public Instruction (DPI) is not maintaining accurate and complete records related to the receipt, distribution, and inventory of donated foods. A recommendation was given on this in the 2010, 2009 single audit and DPI was in the process of developing a new web-based system for managing USDA commodity inventory. This system was not implemented during our audit period.

**Criteria:**

7 CFR section 250.16(a)(6) states that failure to maintain records with respect to receipt and distribution/use of donated foods shall be considered *prima facie* evidence of improper distribution or loss of donated foods, and the agency, processor, or entity may be required to pay USDA the value of the food or replace it in kind.

**Cause:**

Failure to fully implement a prior Single Audit finding The recordkeeping system is not capable of providing accurate receipt and distribution information.

**Effect:**

Noncompliance with federal laws and regulations.

The federal government may want further action to determine the exact cause and a reasonable estimate of the total amount of missing inventory.

**Recommendation:**

We recommend the Department of Public Instruction maintain accurate and complete records with respect to the receipt, distribution, and inventory of donated foods.

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***Department of Public Instruction Response/Corrective Action Plan:***

The Department of Public Instruction agrees with the recommendation and will make every effort to maintain accurate and complete records with respect to the receipt, distribution, and inventory of donated foods.

Finding 12-29  
VARIOUS FEDERAL AGENCIES  
CFDA # Various  
All Grants with Subrecipients

Questioned Cost: \$0

**Condition:**

The Department of Public Instruction does not have adequate controls in place to ensure all A-133 audit reports obtained by subrecipients are reviewed.

During our review of subrecipient A-133 audit reports, we noted 3 of twenty subrecipients tested received an A-133 audit, but the Department of Public Instruction did not identify them as needing an A-133 audit and therefore did not receive the audit to review it for findings.

**Criteria:**

OMB Circular A-133 requires pass-through entities to ensure subrecipients receive an A-133 audits as required, issue management decisions on audit findings within 6 months, and ensuring subrecipients take timely and appropriate corrective action on all audit findings.

**Cause:**

The Department of Public Instruction did not give any of these subrecipients over \$500,000, so the Department of Public Instruction was unsure if an A-133 audit would be required, and did not request an assurance from the subrecipient to tell them if an A-133 audit would be obtained.

**Effect:**

The Department of Public Instruction did not review all required A-133 audit report for compliance issues.

**Recommendation:**

We recommend the Department of Public Instruction implement controls to ensure they review all subrecipients A-133 audit report.

***Department of Public Instruction Response/Corrective Action Plan:***

The Department of Public Instruction agrees with the recommendation and will make every effort to implement controls to ensure all subrecipients A-133 audit reports are reviewed.

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**DEPARTMENT OF TRANSPORTATION**

Finding 12-30  
U.S. DEPARTMENT OF TRANSPORTATION  
CFDA # 20.205  
Highway Planning and Construction

Questioned Cost: \$0

**Condition:**

The Department of Transportation (DOT) has not obtained approval from the Federal Highway Administration (FHWA) of qualification-based selection procedures (Brooks Act) used when contracting to procure engineering and design related services for a construction project using Federal-aid highway funding. The DOT has not required the subrecipients to develop written procedures to provide for the following related to procurement of consultant services:

- Preparing a scope of work, evaluation factors, and cost estimate;
- Soliciting proposals;
- Evaluating and ranking proposals and a documented basis of selection;
- Negotiating the amount to be paid;
- Monitoring the consultant's work and preparing a performance evaluation when the work is completed; and
- Determining the extent to which the consultant, who is responsible for the professional quality, technical accuracy, and coordination of services, may be reasonably liable for costs resulting from errors or deficiencies in design furnished under its contract (23 CFR section 172.9(a)).

Subsequently, the DOT is required to approve the written procedures developed by the subrecipients in accordance with 23 CFR section 172.9. Additionally, the DOT has not developed procedures to monitor subrecipients for compliance with the required procedures of the Brooks Act.

**Criteria:**

State Department of Transportations (DOTs) and local public agencies (subrecipients) must use qualification-based selection procedures (Brooks Act) when contracting to procure engineering and design related services for construction projects using Federal-aid highway funding in accordance with 23 USC 112(b)(2) and 23 CFR section 172. Written procedures of the State DOT and subrecipients are required and must be approved by the Federal Highway Administration and State DOT, respectively, in accordance with 23 USC 112(b)(2) and 23 CFR section 172. A pass-through entity is responsible for monitoring the subrecipient's use of Federal awards to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved, in accordance with OMB Circular A-133 Compliance Supplement (Subrecipient Monitoring).

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**Cause:**

The Department of Transportation has not adequately reviewed federal regulations to ensure compliance with the Brooks Act qualification-based selection procedures.

**Effect:**

Noncompliance with federal regulations.

**Recommendation:**

We recommend the DOT obtain written approval of qualification-based selection procedures from FHWA in accordance with 23 CFR section 172.9.

We recommend the DOT require subrecipients to develop written procedures in accordance with 23 USC 112(b)(2) and 23 CFR section 172 including required procedures of 23 USC section 172.9 and, subsequently approve the subrecipient procedures. We also recommend the Department of Transportation develop and perform subrecipient monitoring procedures to ensure compliance with the required qualification-based selection procedures of the Brooks Act pursuant to 23 CFR section 172.9.

***Department of Transportation Response/Corrective Action Plan:***

NDDOT concurs with the finding and will implement the recommendations of the State Auditor.

Finding 12-31  
U.S. DEPARTMENT OF TRANSPORTATION  
CFDA # 20.205  
Highway Planning and Construction

Questioned Cost: \$0

**Condition:**

The Department of Transportation does not have documented evidence to identify:

- Approval or rejection of all value engineering recommendations, and
- Verification that approved value engineering recommendations were included in the project plans, specifications and estimate.

Value engineering recommendations indicating additional discussion is necessary did not have documentation of additional discussion and identification of final approval or rejection of value engineering recommendations. In addition, there is no documented evidence of verification that approved value engineering recommendations were included in the project plans, specifications and estimate.

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**Criteria:**

The Department of Transportation is required to establish a value engineering program including procedures to approve or reject recommendations and for monitoring to ensure that resulting, approved recommendations are incorporated into the plans, specifications, and estimate in accordance with 23 CFR Part 627.

**Cause:**

The Department of Transportation has not evaluated the control procedures surrounding value engineering.

**Effect:**

Excessive project costs may be incurred due to value engineering recommendations not being included in the project plan.

**Recommendation:**

We recommend the Department of Transportation ensure documented evidence for approval or rejection of all value engineering recommendations and verification that approved value engineering recommendations are included in the project plans, specifications, and estimates in accordance with 23 CFR part 627.

***Department of Transportation Response/Corrective Action Plan:***

NDDOT concurs with the finding and will implement the recommendations of the State Auditor.

Finding 12-32  
U.S. DEPARTMENT OF TRANSPORTATION  
CFDA # 20.205  
Highway Planning and Construction

Questioned Cost: \$0

**Condition:**

The Department of Transportation has not developed properly documented policies and procedures for the value engineering program including:

- Approval or rejection of recommendations;
- Monitoring the implementation of recommendations and change proposal recommendations;
- Identification of all applicable projects in accordance with 23 CFR 627.5;
- Identification of when additional value engineering analysis should be considered or conducted;
- Control procedures to ensure a value engineering analysis is conducted on all applicable projects including projects administered by subrecipients;
- Control procedures to ensure all approved recommendations are implemented and documented in a final value engineering report prior to the project being authorized to proceed to a construction letting;

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- Identification of when value engineering change proposals may be used; analysis, documentation basis and process for evaluating and accepting a value engineering change proposal; and how a net savings of each value engineering change proposal may be shared between the agency and contractor;
- Review of any project where a delay occurs between when the final plans are completed and the project advances to a letting for construction to determine if a change has occurred to the project's scope or design where a value engineering analysis would be required to be conducted.

**Criteria:**

Documented policies and procedures are required for the value engineering program in accordance with 23 CFR 637.

**Cause:**

The Department of Transportation has not revised the value engineering policy to be in compliance with the Code of Federal Regulations since 2006.

**Effect:**

Noncompliance with the Code of Federal Regulations. Potential for applicable projects to not have a value engineering analysis resulting in excessive expense of federal funds.

**Recommendation:**

We recommend the Department of Transportation develop properly documented policies and procedures for the value engineering program in accordance with 23 CFR 627.

***Department of Transportation Response/Corrective Action Plan:***

NDDOT concurs with the finding and will implement the recommendations of the State Auditor.

Finding 12-33  
U.S. DEPARTMENT OF TRANSPORTATION  
CFDA # 20.205, 20.509  
Highway Planning and Construction  
Formula Grants for Other than Urbanized Areas (Nonurbanized Area Formula Program)

Questioned Cost: \$0

**Condition:**

The Department of Transportation (DOT) does not have proper procedures to ensure evidence is obtained to identify whether local matching contributions are from non-federal sources; involved in federal funding, directly or indirectly; or were used for another federally-assisted program.

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**Criteria:**

2 CFR Part 225 General Principles for Determining Allowable Costs (C. Basic Guidelines) states that factors affecting allowability of costs for federal awards include ensuring evidence is obtained to identify whether matching contributions: are from non-Federal sources; involve Federal funding, directly or indirectly; and were used for another federally-assisted program.

OMB Circular A-133 Compliance Supplement Part 4 - Department of Transportation for CFDA 20.509 Section III. G. 1. states, "Revenues from providing public transportation (e.g., farebox revenue) may not be used for the match. Amounts received under a service agreement with a State or local social service agency or a private social service organization may be used to match operating assistance. Recipients may use funds from other Federal agencies (non-DOT) for the entire local match if the other agency makes the funds available to the recipient for the purposes of the project. The only DOT funds that States can use as local match for Section 5311 projects are from the Federal Lands Highway Program (49 USC 5311(g))."

**Cause:**

The Department of Transportation considered review of local matching source to be included in the audit procedures for the local entities; however, all federal programs are not necessarily audited as major programs in all of those audits.

**Effect:**

Local match contributions could include funds from other federal sources not authorized, involve federal funding, or be used for another federally-assisted program.

**Recommendation:**

We recommend the Department of Transportation ensure evidence is obtained to identify whether local matching contributions are from an allowable source.

***Department of Transportation Response/Corrective Action Plan:***

NDDOT concurs with the finding and will implement the recommendations of the State Auditor.

Finding 12-34 U.S. DEPARTMENT OF TRANSPORTATION CFDA # 20.205, 20.509 Highway Planning and Construction Formula Grants for Other Than Urbanized Areas (Nonurbanized Area Formula Program)
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Questioned Cost: \$0

**Condition:**

The Department of Transportation (DOT) did not identify to the subrecipients, at the time of the award, all required Federal award information. For American Recovery and Reinvestment Act (ARRA) funded contracts entered into between the DOT and subrecipients, the DOT did

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not advise the ARRA subrecipients of the requirement to identify ARRA funds in the Schedule of Expenditures for Federal Awards (SEFA) and the data collection form (SF-SAC).

**Criteria:**

OMB A-133 Circular June 2012 Compliance Supplement Part III-Compliance Requirements; Sections M. Subrecipient Monitoring and N. Special Tests and Provisions state that a pass-through entity is responsible for identifying to ARRA subaward recipients, the Federal award information, which includes advising the subrecipient of the requirements to identify ARRA funds in the Schedule of Expenditures of Federal Awards (SEFA) and data collection forms (SF-SAC).

**Cause:**

The agency failed to update their contract templates to include all federal award information requirements for American Recovery and Reinvestment Act (ARRA) funds.

**Effect:**

Possible subrecipient noncompliance with ARRA reporting requirements.

**Recommendation:**

No recommendation is required as the DOT has obligated and awarded all ARRA funds.

Finding 12-35  
U.S. DEPARTMENT OF TRANSPORTATION  
CFDA # 20.509  
Formula Grants for Other Than Urbanized Areas (Nonurbanized Area Formula Program)

Questioned Cost: \$0

**Condition:**

The Department of Transportation (DOT) did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for sub-awards made after the effective date of October 1, 2010. The agency did not complete FFATA reporting for sub-awards entered into for the period effective July 1, 2011 through June 30, 2012.

**Criteria:**

FFATA Subaward Reporting Information as prepared by the Federal Transit Administration (FTA) states all direct recipients that pass sub-awards through to subrecipients are subject to the requirement to report sub-award information to <http://www.ftrs.gov> by the end of the month after the month in which they make any sub-award under the grant for awards effective after October 1, 2010.

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**Cause:**

The DOT individual, no longer employed with the Department, failed to file the FFATA report as required.

**Effect:**

The DOT is noncompliant with FFATA reporting requirements.

**Recommendation:**

We recommend the Department of Transportation properly comply with Federal Funding Accountability and Transparency Act reporting requirements.

***Department of Transportation Response/Corrective Action Plan:***

This reporting oversight occurred during a period of high turnover in the Local Government Division and the individual who was immediately responsible for the reporting is no longer employed by NDDOT. FFATA reporting requirements have proven to be somewhat confusing; in the past there has been some uncertainty as to which transactions were required to be reported. Nonetheless, NDDOT staff has been very conscientious of the understood requirements and has made a good faith effort to fully comply with the reporting requirement. The instance noted by the SAO appears to be an isolated incident and not indicative of a pervasive problem.

Nonetheless, NDDOT concurs with the finding; NDDOT program managers will be reminded that federal subawards have many complex requirements attached; therefore program managers must be aware of the requirements applicable to their programs (including the FFATA and Compliance Supplement) requirements and ensure that all such requirements are fulfilled.

Finding 12-36  
VARIOUS FEDERAL AGENCIES  
CFDA # Various  
All Grants with Subrecipients

Questioned Cost: \$0

**Condition:**

The Department of Transportation (DOT) does not have adequate procedures in place to ensure that subrecipients spending \$500,000 or more in Federal awards have met the audit requirements of OMB Circular A-133.

Specifically, we noted the following conditions:

- Procedures to identify annually, based on the subrecipient's fiscal year, subrecipients that expended \$500,000 or more in Federal awards from all sources are inadequate;
- Tracking system for monitoring subrecipients that require an audit to ensure audit requirements are met has not been developed.
- Procedures to ensure subrecipients that met the A-133 audit threshold have an audit completed within 9 months of the subrecipient's fiscal year end are not performed;

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- Subrecipient audit reports are not reviewed and management decisions are not issued within 6 months of receiving the audit report; and
- Monitoring procedures to ensure subrecipients take timely and appropriate corrective action on all findings are not performed.

**Criteria:**

OMB Circular A-133 section .400(d)(4) requires that a pass-through grantor ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements for that fiscal year.

**Cause:**

The Department of Transportation failed to implement a prior recommendation.

**Effect:**

Lack of proper internal control procedures for monitoring subrecipient A-133 audit requirements.

**Recommendation:**

We recommend the Department of Transportation develop proper procedures to:

- Identify annually, based on the subrecipient's fiscal year, subrecipients that spend \$500,000 or more in Federal awards from all sources;
- Develop a tracking system for monitoring subrecipients that require an audit to ensure audit requirements are met;
- Ensure subrecipients that met the A-133 audit threshold have an audit completed within 9 months of the subrecipient's fiscal year end;
- Review subrecipient audit reports and issue management decisions within 6 months of receiving the audit report; and
- Perform monitoring procedures to ensure subrecipients take timely and appropriate corrective action on all findings.

***Department of Transportation Response/Corrective Action Plan:***

NDDOT concurs with the finding and will implement the recommendations of the State Auditor.

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**GAME AND FISH DEPARTMENT**

Finding 12-37  
U.S. DEPARTMENT OF THE INTERIOR  
CFDA # 15.605/15.611  
Sport Fish Restoration Program/Wildlife Restoration and Basic Hunter Education

Questioned Cost: \$0

**Condition:**

The North Dakota Game and Fish Department does not have adequate procedures in place to ensure that subrecipients spending \$500,000 or more in Federal awards have met the audit requirements of OMB circular A-133. The tracking system used for monitoring subrecipients is not identifying all subrecipients that received federal funding.

**Criteria:**

OMB Circular A-133 section.400(d)(4) requires that a pass-through grantor ensure that subrecipients expending \$500,000 or more in Federal Awards during the subrecipients' fiscal year have met the audit requirements for the fiscal year.

OMB Circular A-133 Compliance Supplement Part 6 - Internal Control (M. Subrecipient Monitoring) Monitoring Activities identifies: "Determining by inquiry and discussions whether subrecipient met thresholds requiring an audit under OMB Circular A-133" and to "Establish a tracking system to assure timely submission of required reporting, such as:...audit reports...".

**Cause:**

The North Dakota Game and Fish Department did not ensure all subrecipients were identified, therefore the audit requirement of tracking of A-133 subrecipients spending \$500,000 or more in Federal awards was not met for those subrecipients.

**Effect:**

Subrecipients spending \$500,000 or more in Federal awards may have audit findings that are not being properly addressed.

**Recommendation:**

We recommend the North Dakota Game and Fish Department develop a tracking system to ensure that all subrecipients spending \$500,000 or more in Federal awards have met the audit requirements of OMB Circular A-133.

***North Dakota Game and Fish Department Response/Corrective Action Plan:***

The department agrees with the recommendation and will develop a tracking system to ensure all subrecipients are identified and subrecipients spending over \$500,000 in federal awards have met the audit requirements of OMB Circular A-133.

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Finding 12-38  
VARIOUS FEDERAL AGENCIES  
CFDA # Various  
Various Federal Programs

Questioned Cost: \$0

**Condition:**

The Game and Fish Department does not have the proper controls in place to ensure accuracy of the data that is included on the Schedule of Expenditures of Federal Awards (SEFA).

The following errors were noted on the fiscal year 2011 SEFA:

- The amount of expenditures for the Sport Fish Restoration Program (CFDA 15.605) was under reported by \$30,232.
- The amount of expenditures for the Wildlife Restoration and Basic Hunter Education Program (CFDA 15.611) was under reported by \$91,532.
- The amount shown as being provided to subrecipients for the Sport Fish Restoration Program (CFDA 15.605) was under reported by \$120,332.
- The amount shown as being provided to subrecipients for the Wildlife Restoration and Basic Hunter Education Program (CFDA 15.611) was under reported by \$92,084.

The following errors were noted on the fiscal year 2012 SEFA:

- The amount of expenditures for the Sport Fish Restoration Program (CFDA 15.605) was under reported by \$475,372.
- The amount of expenditure for the Aquatic Nuisance Species Program (CFDA 15.608) was under reported by \$38,070.

**Criteria:**

OMB Circular A-133.310(b)(1-6), States that the grantee is responsible for the accurate preparation of the Schedule of Expenditures of Federal Awards.

**Cause:**

Correcting entries were not considered when reconciling expenditures month to month. Also, staff turnover lead to some expenditures not being included properly.

**Effect:**

Inaccurate information is being reported to the Federal government on the Schedule of Expenditure of Federal Awards.

**Recommendation:**

We recommend that the North Dakota Game and Fish Department strengthen controls to comply with OMB Circular A-133 when preparing the Schedule of Expenditure of Federal Awards to ensure all the information included is accurate.

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***North Dakota Game and Fish Department Response/Corrective Action Plan:***

The department agrees with the recommendation and steps will be added to ensure the Schedule of Expenditures of Federal Awards reflects accurate information.

**HIGHWAY PATROL**

Finding 12-39  
U.S. DEPARTMENT OF TRANSPORTATION  
CFDA # 20.218  
National Motor Carrier Safety Assistance Program

Questioned Cost: \$23,897

**Condition:**

The North Dakota Highway Patrol (NDHP) billed ineligible costs to the MCSAP Basic and New Entrant Grants.

These costs include salary and benefits costs associated with fringe benefits for all "100 percent" MCSAP employees, whereas only a proportional share of these costs can be considered eligible based on the percentage of time actually worked on MCSAP eligible activities, which in most cases was less than 100 percent. This includes allocating the \$200 payments to Highway Patrol Officers in lieu of reimbursements for meals and other expenses. The questioned cost for these fringe benefits is unknown because the NDHP withheld expenditures from the monthly request for reimbursements to cover a portion of the ineligible costs.

The NDHP also billed MCSAP \$23,897 directly for unused leave when employees either retired or terminated employment.

**Criteria:**

2 CFR Part 225 - Appendix B. Section 8.d - (1) fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. (2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: the costs are equitably allocated to all related activities. (3) Payments for unused leave when an employee terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component.

**Cause:**

The NDHP's corrective action to address a July 2010 MCSAP Review finding did not adequately correct the problem. In addition, the finding did not address the \$200 payments to Highway Patrol officers so the NDHP was unaware that there was an issue with how the payments were being allocated.

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**Effect:**

Noncompliance with federal program guidelines and federal cost principles.

**Recommendation:**

We recommend the North Dakota Highway Patrol ensure that proper procedures are in place to prevent the billing of costs that are not eligible.

**Highway Patrol Response/Corrective Action Plan:**

The Highway Patrol agrees with the recommendation. Procedures for the Advanced and Supplemental Payroll have been updated in order to record as federal expenses only those salary costs which are eligible for federal reimbursement.

Finding 12-40  
U.S. DEPARTMENT OF TRANSPORTATION  
CFDA # 20.218  
National Motor Carrier Safety Assistance Program

Questioned Cost: Unknown

**Condition:**

The North Dakota Highway Patrol (NDHP) is not effectively utilizing the state's accounting system to track federal grant activity. The NDHP is not accounting for federal expenditures within the same fund as the related federal revenue. In addition, correcting entries are not done timely.

As a result, in order for the NDHP to zero out cash balances in old PeopleSoft funds used to track MCSAP activity for the last seven or eight years, the NDHP transferred \$340,841 from the various MCSAP funds to the general fund. Because the funds were not closed out timely, the NDHP was unable to provide support adequate enough to audit the amount of the adjustment.

**Criteria:**

OMB Circular A-133 Compliance Supplement, Part 6 - Internal Control, identifies as one of the objectives of internal control over federal programs, that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and Federal reports.

49 CFR Sections 350.309 - eligible activities for reimbursement and 350.311- specific items eligible for reimbursement do not include transfers of excess cash balances from federal MCSAP funds to the state's general fund as an eligible activity or specific item eligible for reimbursement under MCSAP.

**Cause:**

NDHP management has not established adequate internal controls over federal programs to ensure transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and federal reports.

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The NDHP claims the excess cash balances in the MCSAP funds were primarily the result of how indirect costs and associated revenues were accounted for, possibly dating back to the state's previous accounting system. According to the NDHP, indirect costs were initially paid for with general funds. When the federal revenue was received for the reimbursement of the federal share of the indirect costs it was deposited into the MCSAP funds. However, the federal portion of the expenditures was allegedly never reclassified from the general fund to the appropriate MCSAP fund, potentially dating back to 1997. There is no documentation to support this claim.

**Effect:**

Possible erroneous transfer of federal funds to the State's general fund.

**Recommendation:**

We recommend that the North Dakota Highway Patrol establish internal controls over Federal programs to ensure that transactions are properly recorded and accounted for, which includes effectively utilizing the state's accounting system to track Federal grant activity and ensuring correcting entries are done timely.

***Highway Patrol Response/Corrective Action Plan:***

The Highway Patrol agrees with the recommendation. Reconciliations of federal revenues and expenses are being done on a monthly basis to ensure that all federal transactions are properly recorded and all correcting entries are done in a timely manner. Grant numbers are now being utilized to more accurately record all revenues and expenditures of a grant award when the time period required to fully expend the award significantly exceeds twelve months. To provide more effective use of the state's accounting system, an IT upgrade is being made to the NDHP activity system which will provide better information regarding all federal payroll activity.

**OFFICE OF THE ADJUTANT GENERAL**

Finding 12-41 U.S. DEPARTMENT OF HOMELAND SECURITY CFDA # 97.039 Hazard Mitigation Grant Program
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Questioned Cost: \$0

**Condition:**

The Office of the Adjutant General is not adequately notifying the subrecipient of all award information. The Notice of Award document is used to notify the subrecipient of federal award information; however, the Notice of Award does not include the title of the Federal program. In cases where the Notice of Federal Award was not found to be signed by the subrecipient, an award letter was found to not include the CFDA number for the Federal program and reference to requirements imposed by laws, regulations, and provisions of the contract as included in the Notice of Award document.

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**Criteria:**

OMB Circular A-133 states that a pass-through entity is responsible for identifying to the subrecipient the Federal award information and applicable compliance requirements.

**Cause:**

The Office of the Adjutant General has not adequately designed the Notice of Award document to include required elements of the award and developed procedures to ensure the Notice of Award document is consistently signed by the subrecipient and maintained as supporting documentation.

**Effect:**

Noncompliance with subrecipient monitoring requirements.

**Recommendation:**

We recommend the Office of the Adjutant General ensure Federal award identification information and applicable compliance requirements are identified to subrecipients.

***Office of the Adjutant General Response/Corrective Action Plan:***

Agency Concur. We have drafted a new subgrant agreement to include the federal award identification information and applicable compliance requirements.

Finding 12-42  
U.S. DEPARTMENT OF HOMELAND SECURITY  
CFDA # 97.039  
Hazard Mitigation Grant Program

Questioned Cost: \$0

**Condition:**

The Office of the Adjutant General did not comply with Federal Funding Accountability and Transparency Act of 2006 (FFATA) reporting requirements. The Office of the Adjutant General did not submit any FFATA reporting and a good faith effort to comply with reporting requirements was not documented during the audited period. Related to FFATA reporting required information, the Office of the Adjutant General has not obtained Dun and Bradstreet Data Universal Number System (DUNS) numbers from subrecipients.

**Criteria:**

Federal Funding Accountability and Transparency Act of 2006 (FFATA) or Transparency Act - P.L.109-282, as amended by section 6202(a) of P.L. 110-252 requires FFATA financial reporting.

Office of Management and Budget Policy Statement M-08-19 grants authority to collect Dun and Bradstreet DUNS numbers to meet the requirements of the Federal Funding Accountability and Transparency Act of 2006.

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**Cause:**

The Office of the Adjutant General was unable to provide documentation identifying efforts to submit FFATA reports.

**Effect:**

The Office of the Adjutant General is noncompliant with FFATA reporting requirements.

**Recommendation:**

We recommend the Office of the Adjutant General properly comply with Federal Funding Accountability and Transparency Act reporting requirements. We also recommend the Office of the Adjutant General obtain subrecipient Dun and Bradstreet DUNS numbers.

**Office of the Adjutant General Response/Corrective Action Plan:**

Agency concurs. However, the federal government has not yet uploaded the reports making it impossible to comply with this request. We will more adequately document our attempts to have this reporting capability available to our agency.

Finding 12-43  
U.S. DEPARTMENT OF HOMELAND SECURITY  
CFDA # 97.067  
Homeland Security Grant Program

Questioned Cost: \$0

**Condition:**

The North Dakota Adjutant General did not have controls in place to ensure funds for subgrants were obligated within forty-five days after the date of the grant award. In addition, the agency did not identify the obligation date to be the same as defined in the OMB Circular A-133 Compliance Supplement.

**Criteria:**

Part 4 of the OMB Circular A-133 Compliance Supplement for the Homeland Security Grant Program, Section III(N) states that under awards for fiscal year 2008 through fiscal year 2011 for the State Homeland Security Program and, in addition, Operation Stonegarden for fiscal years 2010 and 2011, states must obligate funds for subgrants within 45 days after the date of the grant award. "Obligate" has the same meaning as in Federal appropriations law, i.e., there must be an action by the State to establish a firm commitment; the commitment must be unconditional on the part of the State; there must be documentary evidence of the commitment; and the award terms must be communicated to the subgrantee and, if applicable, accepted by the grantee.

**Cause:**

The agency is considering the date of obligation to be the date of the letter sent to subrecipients notifying them of the amount allocated and request to apply for the allocated grant award amount or the date the Notice of Grant Awards are signed by the Office of the Adjutant

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General's Director of Homeland Security. These dates are prior to the communication and acceptance of award terms by the subrecipient and are not documented by the agency.

**Effect:**

Noncompliance with federal regulations.

**Recommendation:**

We recommend the North Dakota Adjutant General identify the obligation date of Homeland Security Grant Program funds given to sub-grantees to be the same as defined in the OMB Circular A-133 Compliance Supplement and implement controls to ensure funds are obligated to sub-grantees within forty-five days after the date of the grant award and that the date of obligation be documented.

**Office of the Adjutant General Response/Corrective Action Plan:**

Agency concurs. We were operating under a set of guidelines that did not include acceptance by the grantee as one of the conditions to satisfy the obligation of funds within 45 days requirement. We will expedite our allocation and award process to include receiving the acceptance from the grantee within the mandated 45 days and will ensure the date of the obligation is adequately documented.

Finding 12-44  
VARIOUS FEDERAL AGENCIES  
CFDA # Various  
All Grants with Subrecipients

Questioned Cost: \$0

**Condition:**

The Office of the Adjutant General does not have adequate procedures in place to ensure that subrecipients spending \$500,000 or more in Federal awards have met the audit requirements of OMB Circular A-133.

Specifically, we noted the following conditions:

- Certifications as to whether the \$500,000 threshold for an A-133 audit was met is not required for all subrecipients;
- The tracking system for monitoring subrecipients is not identifying all subrecipients that received federal funding; and,
- Tracking procedures do not ensure subrecipients that met the A-133 audit threshold have an audit completed within the 9 month requirement of the subrecipient's fiscal year end and, if there were any findings, that a management decision would be made within 6 months of receipt of the audit report.

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**Criteria:**

OMB Circular A-133 section .400(d)(4) requires that a pass-through grantor ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements for that fiscal year.

OMB Circular A-133 Compliance Supplement Part 6 (Subrecipient Monitoring) Control and Monitoring Activities identifies: a. "determining by inquiry and discussions whether subrecipient met thresholds requiring an audit under OMB Circular A-133", and b. "establish a tracking system to assure timely submission of required reporting, such as:...audit reports..."

OMB Circular A-133 Compliance Supplement Part 3 (Subrecipient Monitoring) Subrecipient Audits states, "A pass-through entity is responsible for ensuring that subrecipients...met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings.

**Cause:**

The Office of the Adjutant General tracking procedures eliminate city and county entities because the agency was relying on local entity audits reported to them by the Office of the State Auditor without ensuring all local entity subrecipients were included in that report. In addition, the Office of the Adjutant General overlooked the timing requirements for obtaining audit reports and response by management in developing the A-133 audit tracking methods.

**Effect:**

Noncompliance with OMB Circular A-133 subrecipient monitoring requirements.

**Recommendation:**

We recommend the Office of the Adjutant General develop proper procedures to ensure:

- Certifications as to whether the \$500,000 threshold for an A-133 audit was met are required for all subrecipients;
- The tracking system for monitoring subrecipients identifies all subrecipients that received federal funding; and,
- Tracking methods performed include determining A-133 audits are completed within 9 months of the subrecipient's fiscal year end and management decisions are made within 6 months of receiving the audit report.

***Office of the Adjutant General Response/Corrective Action Plan:***

Agency concurs. Our procedures have been updated to ensure we meet all requirements of this recommendation.

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**OFFICE OF MANAGEMENT AND BUDGET**

Finding 12-45  
VARIOUS FEDERAL AGENCIES  
CFDA # Various  
Various Federal Programs

Questioned Cost: \$0

**Condition:**

The Office of Management and Budget controls surrounding the development of clearance patterns have not been adequately designed to ensure the data used to develop clearance patterns accurately represent the flow of Federal funds.

**Criteria:**

31 CFR 205.20(b)-(d) states, "A State must ensure that clearance patterns meet the following standards: (b) A clearance pattern must accurately represent the flow of Federal funds under the Federal assistance programs to which it is applied. (c) A clearance pattern must include seasonal or other periodic variations in clearance activity. (d) A clearance pattern must be based on at least three consecutive months of disbursement data, unless additional data is required to accurately represent the flow of Federal funds."

**Cause:**

The Office of Management and Budget failed to implement a prior audit recommendation and still did not work with the individual state agencies to determine which months accurately represent the flow of Federal Funds.

**Effect:**

The clearance patterns may be calculated incorrectly.

**Recommendation:**

We recommend the Office of Management and Budget work with individual state agencies in determining the time frame to be used and what a representative sample is when developing clearance patterns to ensure clearance patterns accurately represent the flow of Federal funds under each Federal assistance program to which it is applied.

***Office of Management and Budget Response/Corrective Action Plan:***

OMB agrees with the recommendation. Agencies were contacted and a new time frame has been determined to better represent the flow of Federal funds under each Federal assistance program.

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**VETERANS HOME**

Finding 12-46  
U.S. DEPARTMENT OF VETERANS AFFAIRS  
CFDA # 64.005  
Grants to States for Construction of State Home Facilities

Questioned Cost: \$0

**Condition:**

The Veterans Home did not include expenditures for the federal grant received to construct a new veteran's home on the Schedule of Federal Expenditures (SEFA). The grant was from the Department of Veterans Affairs (VA) and was for \$14,684,183. This caused the Office of Management and Budget to process corrections to the statewide SEFA.

**Criteria:**

OMB Circular A-133.310(b)(1-6) states that the grantee is responsible for the accurate preparation of the Schedule of Expenditures of Federal Awards.

**Cause:**

There are not proper controls in place to ensure accuracy of the data that is included on the SEFA.

**Effect:**

Incorrect reporting on the SEFA.

**Recommendation:**

We recommend that the Veterans Home implement controls to comply with OMB Circular A-133 when preparing the Schedule of Federal Expenditures to ensure all of the information included is complete, up-to-date, and reliable.

**North Dakota Veterans Home Response/Corrective Action Plan:**

Agree. The North Dakota Veterans Home will work with the Office of Management and Budget to ensure that all federal grants are reported on the SEFA.

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**UNIVERSITY OF NORTH DAKOTA (UND)**

Finding 12-47  
U.S. DEPARTMENT OF EDUCATION  
CFDA # Various  
Student Financial Aid Cluster

Questioned Cost: Unknown

**Condition:**

For the one half-time student we selected in our test, there was an over-award of \$1,040, because UND used full-time instead of half-time for all cost of attendance (COA) budgets.

We then asked about this and were informed that this was the practice at UND for a number of years; it used full-time budgets for all students including part-timer students. Additionally, UND did not discontinue the practice until the last term of our audit period (Summer 2012) so this would have been the case for all terms (a total of 5 semesters including one summer semester) of this audit period except Summer 2012.

We estimated based on our sample of 17 selected from UND that the impact could be as high as \$10 million.

**Criteria:**

HEA, Section 472, defines a student's cost of attendance as including: (1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution...

The Student Financial Aid Handbook, 2010-11, Volume 3, chapter 2, under allowable costs states: "...you cannot combine the COA figures for each separate enrollment status and award aid to a student on the basis of average COA..."

Additionally, allowable costs are also defined in this chapter as including tuition and fees among other expenses. Tuition and fees are not the same for full-time, three-quarter time, half-time and less than half-time (only books are allowed at less than half-time).

**Cause:**

UND appears to have misunderstood the regulations as did many colleges and universities around the country, per phone discussion with a Federal Trainer in Denver, CO, and subsequent email to us of appropriate regulations.

**Effect:**

UND is not in compliance with Federal Regulations. This mostly effects student loans and a few campus based programs such as TEACH, SMART, ACG and Perkins loans, and both Federal

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Stafford Subsidized and Unsubsidized loans. Because of the full-time budget being used, students take out more in loans than they need or they could receive a grant when there is no associated need.

**Recommendation:**

We recommend that UND use multiple enrollment categories of full-time, three-quarter-time, half-time and less-than-half-time for its Cost of Attendance budgets, and discontinue budgeting everyone as full-time.

**University System Response/Corrective Action Plan:**

UND agrees. UND Student Financial Aid (SFA) Interim Director, had conversations with Federal Trainers/SAO in March 2012, to verify UND/ NDUS system were in fact misunderstanding federal HEA regulations related to cost of attendance. Final decision on cost of attendance was made in April 2012. SAO did not request UND to go back and adjust students' cost of attendance for students who were less than full-time. UND chose to implement adjusting students' cost of attendance starting with the May 2012 summer session and going forward, so as to minimize any negative impacts it would have on the students.

**Auditor Concluding Response:**

Although we did not request UND go back and adjust student's cost of attendance, we felt that by issuing this finding we would make the DoED aware so they can decide how UND should proceed to resolve the issue.

**BISMARCK STATE COLLEGE (BSC)**

Finding 12-48  
U.S. DEPARTMENT OF EDUCATION  
CFDA # Various  
Student Financial Aid Cluster

Questioned Cost: \$59,582

**Condition:**

We noted BSC's Satisfactory Academic Progress (SAP) Policy is not adequate. The following conditions were noted:

The SAP policy does not:

- a. Provide the application of standards to all students within all categories of students.
- b. State whether the standards apply to all students, or if there are different standards for students that are full-time, part-time, undergraduate, or other educational programs established by the school.
- c. Describe the basis for which a student may file an appeal; whether it is insufficient GPA, insufficient pace, and/or exceeded maximum credit limit.

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- d. Does not identify what circumstances would be allowable, which should include (but is not limited to) a medical condition, death of a family member, divorce/separation, military service, and/or other extenuating circumstances.

Ten of the 24 (41%) students tested had appeals approved that lacked proper support on which to base an appeal, or the appeal was approved and it shouldn't have been. The total aid given to these 10 students was \$59,892. We also noted one exception during our testing of SFA Eligibility where proper supporting documentation was not obtained by BSC.

**Criteria:**

34 CFR 668.34 provides the requirements of the Satisfactory Academic Progress policy relative to how a student may reestablish his or her eligibility, the basis for appeal and information the student must submit. That, in tandem with BSC's own SAP policy set the required standards.

**Cause:**

In our opinion, not enough care was taken when creating the SAP policy, and when reviewing students' Satisfactory Academic Progress Appeals to ensure that all of the requirements were being met before approval was granted. It also appears BSC is not following its own policy and obtaining required information on which to base an appeal.

**Effect:**

Non-compliance with federal regulations as federal financial aid was awarded to ineligible students.

**Recommendation:**

We recommend that BSC:

1. Update its SAP policy to ensure the application of SAP standards to all students within all of the categories of students (full-time, part-time, undergraduate, or other educational programs),
2. Provide in its SAP policy the basis for which a student may file an appeal, which includes insufficient GPA, insufficient pace, and/or exceeded maximum credit limit. This should also identify what circumstances would be allowable, which include (but is not limited to) a medical condition, death of a family member, divorce/separation, military service, and/or other extenuating circumstances,
3. Clarify the documentation required for specific situations and only approve those appeals where sufficient documentation has been obtained and retained, and only approve those appeals for students who have successfully demonstrated satisfactory academic progress at the next evaluation.
4. Consider forming an Appeal Committee. Grievances on denied appeals could then be brought to the SFA administrator (or a designee) for further consideration. Additionally, BSC should not approve appeals that do not have the required supporting documentation or when the student has not lived up to the Plan of Study outlined in the Appeal.

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***University System Response/Corrective Action Plan:***

BSC Agrees. A review of the SAP policy will occur and possible changes made to ensure categories of students, enrollment status and programs are identified and to more broadly define the circumstances in which an appeal is warranted. Additional training will occur with all financial aid staff defining the types of documentation needed from the student before an appeal can be reviewed as well as approving and denying appeal requests. BSC will also evaluate the effectiveness and efficiency of establishing a committee on our campus. Projected date of completion of the action plan is June 30, 2013.

**NORTH DAKOTA STATE UNIVERSITY (NDSU)  
UNIVERSITY OF NORTH DAKOTA (UND)**

Finding 12-49  
U.S. DEPARTMENT OF DEFENSE  
NATIONAL SCIENCE FOUNDATION  
CFDA # 12.xxx, 47.049  
Research and Development Cluster  
DOD Award Number: W9132T-08-2-0014

Questioned Cost: \$0

**Condition:**

Our test of NDSU and UND research expenditures indicated purchase card purchases charged to federal research projects were not sufficiently reviewed by the Grants Office for allowability.

**Criteria:**

OMB Circular A-133 Compliance Supplement, Part 3:A. Activities Allowed or Unallowed: Compliance Requirements: The specific requirements for activities allowed or unallowed are unique to each Federal program and are found in the laws, regulations, and the provisions of contract or grant agreements pertaining to the program. For programs listed in this Supplement, the specific requirements of the governing statutes and regulations are included in Part 4 & #8211; Agency Program Requirements or Part 5 & #8211; Clusters of Programs, as applicable. This type of compliance requirement specifies the activities that can or cannot be funded under a specific program.

**Cause:**

In our opinion, the internal control system for determining allowability of federal expenses by knowledgeable personnel is not in place, as source documents do not accompany the information being reviewed.

**Effect:**

Purchase card expenses are not being properly monitored by the Grants Office. This weakness can allow unallowable and/or improperly approved costs to be charged to the federal project. For fiscal year 2012, there were approximately \$1,915,000 and \$675,000 of purchase card purchases made for Federal research projects for UND and NDSU, respectively.

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**Recommendation:**

We recommend UND and NDSU establish and implement a system to enable the grant officers access to adequate supporting documentation to review purchase card purchases charged to federal programs.

***University System Response/ Corrective Action Plan:***

UND disagrees. UND does not allow P-cards to be issued for sponsored project expenditures or allow direct charging of sponsored project expenditures to a P-card. UND sponsored project P-card reallocation process initiated July 1, 2011. Process allows principal investigator to reallocate allowable sponsored project expenditures from original funding source charged on P-card to applicable sponsored project. Process allows Grants Office to review/approve expenses prior to posting to sponsored project. EERC is the only UND department *not* required to follow process as adequate checks/balances are in place to monitor their \$1,915,000 P-card expenditures listed above.

NDSU agrees with the finding and recommendation. Beginning in February 2013, NDSU implemented revised procedures to comply with federal regulations. On a monthly basis, the audit clerk responsible for grant expense auditing will now examine a sampling of original invoices, based on risk (i.e., dollar amount, expense type and grant restrictions), to allow for a sufficient review as required by the federal regulations.

***Auditor Concluding Response:***

In their response, UND discloses that “sponsored project P-card reallocation process (was) initiated July 1, 2011” (FY12). Per discussions with UND personnel, sponsored project P-card expenses were being charged directly to federally sponsored projects prior to FY12 and this was confirmed by our interim testing. We cannot confirm that EERC has adequate procedures as we did not specifically review or test them during the audit period. Our testing was done at the grants office which is ultimately responsible for ensuring all federal expenses are allowable.

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**DAKOTA COLLEGE AT BOTTINEAU (DCB)**  
**LAKE REGION STATE COLLEGE (LRSC)**  
**MAYVILLE STATE UNIVERSITY (MASU)**  
**NORTH DAKOTA STATE COLLEGE OF SCIENCE (NDSCS)**  
**VALLEY CITY STATE UNIVERSITY (VCSU)**  
**WILLISTON STATE COLLEGE (WSC)**

Finding 12-50  
VARIOUS FEDERAL AGENCIES  
CFDA # Various  
Various Federal Programs

Questioned Cost: \$0

**Condition:**

DCB did not properly identify any federal CFDA numbers on its general ledger.

LRSC included a State Pass-Through grant on its SEFA (project LRS0007409) which should not be included and excluded a federal grant (project LRS0004063) which should have been included.

MASU did not properly identify CFDA numbers on its general ledger for several projects and did not include expenses paid from program income as part of its SEFA expenditure reporting for the Head Start and Early Head Start programs.

NDSCS did not properly classify the project types on its general ledger. This resulted in a materially incomplete query.

VCSU has not properly identified all Federal vs. State awards or federal vs. non-federal revenues on its general ledger. According to the General Ledger, VCSU showed 8 projects with a federal revenue code of 450010 and 7 projects with a federal pass-through revenue code of 450015. Of these 15 projects, 4 revenue codes were incorrectly coded as federal revenue.

WSC has not properly identified Federal vs. State awards or federal vs. non-federal revenues on its general ledger. According to the General Ledger, WSC showed 11 projects using the federal revenue code of 450010 and 6 projects using the federal pass-through revenue code of 450015. Of these 17 projects, only 4 were actually federal programs that should have had federal revenues recorded.

**Criteria:**

OMB Circular A-133, Subpart C, section .300(a) requires the auditee to 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.

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The general ledger on PeopleSoft has a defined chart of accounts that are required to be followed for proper account classification and disclosure. This chart of accounts, when used properly, assists in the accurate presentation of financial statements and the preparation of the Schedule of Expenditures of Federal Awards.

**Cause:**

In our opinion, inexperience, lack of due care and/or the lack of proper training in PeopleSoft entries led to these errors.

**Effect:**

Incorrectly coding revenue as federal revenue overstates the revenue source and misstates the financial statements and the schedule of federal assistance.

Incomplete, inconsistent and incorrect classifications of fund and project types on the general ledger can lead to the exclusion of federal awards on the SEFA.

Incorrect exclusion of qualifying expenses in a federal program results in an understated SEFA.

**Recommendation:**

We recommend:

1. The financial staffs at the noted institutions obtain appropriate general ledger classification training and implement that training as soon as possible.
2. Information to comply with federal regulations be recorded in the general ledger and CFDA numbers be required when setting up federal award funds and projects.
3. Program income be recorded in the appropriate federal fund and reported to funding sponsor.

***University System Response/ Corrective Action Plan:***

DCB agrees with the findings. Omitted CFDA numbers will be entered in to PeopleSoft for existing grants and all future grants beginning April 1, 2013.

LRSC agrees:

1. Have placed the topic of identifying types of Grants on project set-up on the next Controller's meeting. Will decide on a common way to identify grants on the general ledger so that it is easy to see if they are federal grants, state grant, ARRA, etc. Estimated completion date is FY 2013.
2. To simplify the process, the controllers will check with the SITs staff to see if PeopleSoft could require the CFDA number during the set up process. Estimated completion date is FY 2013.

MASU agrees. We now have CFDA numbers for all grants on the general ledger. Program income expenses related to Head Start and Early Head Start were inadvertently omitted from the pass-through amounts on the SEFA. They will be included from this point forward.

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NDSCS agrees. NDSCS has updated the appropriate query fields pertaining to current project types and has also updated written procedures for addressing future grant setup.

VCSU agrees with the recommendation. VCSU will be reviewing all revenue codes that are associated with projects and updating them to properly classify the revenue by the end of FY13.

WSC agrees and will comply and receive training as appropriate to meet these expectations by December 31, 2013

**WILLISTON STATE COLLEGE (WSC)**

Finding 12-51  
U.S. DEPARTMENT OF EDUCATION  
CFDA # 84.063, 84.007, 84.033, 84.038  
Federal Pell Grant Program  
Federal Supplemental Education Opportunity Grants  
Federal Workstudy  
Federal Perkins Loan Program

Questioned Cost: \$0

**Condition:**

The Fiscal Operations Report and Application to Participate (FISAP) at Williston State College was not supported by the institution's general ledger:

Part II, Section E:

Field 23, Total Federal Pell Grant expenditures awarded is reported as \$917,070; however general ledger expenditures show \$917,129 for a difference of \$59.

Part III, Section A:

Field 1.1, Cash on hand and in depository as of 6/30/12 was understated \$4,204.

Field 31, Interest income on loans was understated \$3,095.

Field 32, Other income was understated \$1,038.

Part III, Section C:

Field 3, Total borrowers not in repayment status is understated \$810.

Part IV, Section B:

Field 11, Total federal funds available was reported as \$18,170; however the general ledger revenue show \$38,669, for a difference of \$20,499.

Part V, Section B:

Field 11, total federal funds available was reported as \$26,635; however the general ledger revenue shows \$28,336, for a difference of \$1,701.

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Part V, Section D:

Field 14, total federal share of FWS earned compensation is reported at \$26,636; however the general ledger shows \$26,872, for a difference of \$237.

Part VI, Section A:

Field 18, Column d, total Automatic Zero EFC students is underreported \$10,000.

**Criteria:**

34 CFR 674.19(d), 34 CFR 675.19(b)(2)(iv), and 34 CFR 676.19(b)(2) states that an institution shall establish and maintain program and fiscal records that are reconciled at least monthly. Each year an institution shall submit a Fiscal Operations Report plus other information the Secretary requires. The institution shall insure that the information reported is accurate and shall submit it on the form and at the time specified by the Secretary.

Per the FISAP instructions, the Department uses the information provided in the report to determine the amount of funds received for each campus-based program. Accurate data must be provided and accurate and verifiable records must be retained for program review and audit purposes.

**Cause:**

There appears to be a lack of communication between the Student Financial Aid and Business office.

**Effect:**

Incorrect amounts are being reported on the FISAP.

**Recommendation:**

We recommend that WSC:

1. Reconcile program and fiscal records on a monthly basis and
2. Properly report balances on the FISAP.

***University System Response/ Corrective Action Plan:***

Agree. WSC has recently gone through turnover for both our Director of Finance and Director of Financial Aid positions. In training the new individuals into their roles, emphasis will be placed on how to best meet the reporting and reconciliation efforts required for the FISAP by December 31, 2013

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**NORTH DAKOTA STATE UNIVERSITY (NDSU)**

Finding 12-52  
U.S. DEPARTMENT OF ENERGY  
CFDA # 81.112  
Research and Development Cluster

Questioned Cost: Unknown

**Condition:**

NDSU's internal service fund costs were charged in advance to a federal project based on estimated rather than actual costs on a negotiated service level agreement (SLA) rather than billing after services have been provided using a uniform fee schedule for all users. Fund 22129, an internal service fund, used a SLA to charge costs to a Federal project (FAR0014451) in the amounts of \$230,754 and \$36,392 (total of \$267,146) in fiscal years 2011 and 2012, respectively.

**Criteria:**

Circular A-21, Cost Principles for Educational Institutions, Appendix A, provides guidance to ensure that each educational institution's practices used in estimating costs for a proposal are consistent with cost accounting practices used by the educational institution in accumulating and reporting costs. Consistency in the application of cost accounting practices is necessary to enhance the likelihood that comparable transactions are treated alike. The consistent application of cost accounting practices will facilitate the preparation of reliable cost estimates used in pricing a proposal and their comparison with the costs of performance of the resulting sponsored agreement. Such comparisons provide one important basis for financial control over costs during sponsored agreement performance and aid in establishing accountability for costs in the manner agreed to by both parties at the time of agreement. The comparisons also provide an improved basis for evaluating estimating capabilities.

Circular A-21, Cost Principles of Educational Institutions, section D point 2, states institutional service operations may be included as direct costs of sponsored agreements, provided such items are consistently treated, in like circumstances, by the institution as direct rather than F&A costs, and are charged under a recognized method of computing actual costs, and conform to generally accepted cost accounting practices consistently followed by the institution.

**Cause:**

Apparently the University felt charges based on estimation without a proper accounting at the end of the agreement was acceptable practice.

**Effect:**

Violation of sound procurement practices as outlined in OMB Circular A-21 increasing the likelihood that charges to the federal program are not allocable to and exceed the actual benefits received by the federal program.

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**Recommendation:**

We recommend, rather than billing in advance based on estimated costs, a fee schedule be used to bill based on actual costs after the services have been provided. If an internal service fund must bill in advance for services to be provided, a periodic reconciliation should be performed comparing actual costs to what was billed to the federal program. Any charges that exceed the actual expenses should be refunded to the federal program.

**University System Response/ Corrective Action Plan:**

NDSU agrees. In theory, we agree there was potentially a small amount of risk of overbilling because the estimated billings were not compared to actual expenses on a timely basis. An overbilling would have been a violation of A-21. In this case, our reconciliation shows that the grant was not over-charged for services in violation of A-21, so there are no questioned costs. We also agree that a periodic reconciliation should be performed in the cases where an advance billing is necessary. Procedures will be revised immediately to implement the recommendation.

**DICKINSON STATE UNIVERSITY (DSU)**

Finding 12-53  
U.S. DEPARTMENT OF EDUCATION  
CFDA# Various  
Student Financial Aid Cluster

Questioned Cost: \$32,227

**Condition:**

We noted DSU's Satisfactory Academic Progress (SAP) Policy is not adequate. The following conditions were noted:

The policy does not:

- a. Provide the application of standards to all students within all categories of students.
- b. State whether the standards apply to all students, or if there are different standards for students that are full-time, part-time, undergraduate, graduate, or other educational programs established by the school.
- c. Describe the basis for which a student may file an appeal; whether it is insufficient GPA, insufficient pace, and/or exceeded maximum credit limit. Regardless of which, the school does not identify what circumstances would be allowable, which should include (but is not limited to) a medical condition, death of a family member, divorce/separation, military service, and/or other extenuating circumstances.
- d. State what information the student must submit regarding why the student failed to make Satisfactory Academic Progress and what has changed in the student's situation that will allow the student to demonstrate Satisfactory Academic Progress at the next evaluation.
- e. Define what the maximum timeframe is for students who are working towards multiple majors. The school's written SAP policy does not include a provision to

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address how additional hours for a double major would be counted in the SAP maximum credit limit for a program of study.

- f. State the minimum graduation requirements for students with a double major and does not indicate that the majors are not complete until the hours for both majors are completed (the academic policy does, but not the SAP). DSU uses a combination of the credits from both majors for a dual degree. We noted most of the NDUS schools used the credits for the major that took the longest (most credits) to complete to calculate the 150% for the maximum credit limit, not a combination of the two.
- g. Address the situation to handle a student who has changed his/her major.

Four SAP appeals from the 24 students (16%) tested were approved, but the approval didn't appear warranted as they lacked adequate documentation or the person did not live up to the Plan of Study and were awarded aid in subsequent periods anyway. The total aid given to these 4 students was \$32,227.

**Criteria:**

34 CFR 668.34 provides the requirements of the Satisfactory Academic Progress policy. That in tandem with the Federal Student Aid Handbook, Volume 1, Chapter 6, and DSU's own SAP policy set the required standards.

34 CFR 668.32 (c)(2) provides for purposes of the Federal Pell Grant Program — (i)(A) Does not have a baccalaureate or first professional degree; or (B) Is enrolled in a post baccalaureate teacher certificate or licensing program as described in 34 CFR 690.6(c); and (ii) Is not incarcerated in a Federal or State penal institution.

Additionally, 34 CFR 690.6(a) provides in paragraphs (c) and (d) of this section, a student is eligible to receive a Federal Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study. (b) An institution shall determine when the student has completed the academic curriculum requirements for that first undergraduate baccalaureate course of study. Any noncredit or remedial course taken by a student, including a course in English language instruction, is not included in the institution's determination of that student's period of Federal Pell Grant eligibility.

**Cause:**

In our opinion, not enough care was taken when creating the SAP policy, and when reviewing students' Satisfactory Academic Progress Appeals to ensure that all of the requirements were being met before approval was granted. It also appears DSU is not always following its own policy and obtaining required information on which to base an appeal.

**Effect:**

Non-compliance with federal regulations as the Satisfactory Academic Progress policy did not meet the required specifications, and the school's procedures appear inadequate.

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**Recommendation:**

We recommend that DSU:

1. Update its SAP policy to include the application of SAP standards to all students within all of the categories of students (full-time, part-time, undergraduate, or other educational programs);
2. Provide in its SAP policy (not just on the appeal form) the basis for which a student may file an appeal, which includes insufficient GPA, insufficient pace, and/or exceeded maximum credit limit. This should also identify what circumstances would be allowable, which include (but is not limited to) a medical condition, death of a family member, divorce/separation, military service, and/or other extenuating circumstances;
3. Identify in its SAP policy the information a student must submit when he/she has a deficiency, and what the student can do to not be deficient in the next SAP evaluation;
4. Define in its SAP policy the maximum credit limit for students who are working towards dual degrees;
5. Consider using the credits for the major that takes the longest (most credits) to complete, in regards to students who have dual degrees, to calculate the 150% for the maximum credit limit;
6. Define in its SAP policy how the standards apply to a student who has changed his/her major;
7. Consider forming an Appeal Committee. Grievances on denied appeals could then be brought to the SFA administrator (or a designee) for further consideration. Further, DSU should not approve appeals that do not have the required supporting documentation or when the student has not lived up to the Plan of Study outlined in the Appeal.

***University System Response/ Corrective Action Plan:***

1-3. DSU agrees to examine and update the Institutional SAP policy in the summer 2013 to address the recommendations of the auditor and to meet requirements of 34 CFT 668.34.

4-6. DSU agrees to consider using the credits for the major that takes the longest (most credits) to complete, in regards to students who have dual degrees, to calculate the 150% for the maximum credit limit and to define how standards apply to a student who changes her/his major.

7. DSU agrees to consider forming an Appeal Committee to review SAP appeals.

DSU disagrees that appeals are approved without documentation. Appeals, including academic plans of study, are reviewed prior to the last day to add and a determination is made based on information available. In the evaluation of a student appeal, 34 CFR 668.34 requires the institution to develop, "an academic plan for the student that, if followed, will ensure that the student is able to meet the institution's satisfactory academic progress standards by a specific point in time." DSU believes that appeals have been handled in accordance with 34 CFR 668.34.

***Auditor Concluding Response:***

DSU has not provided us with documentation that would change the results of our testing and therefore we stand by our original finding that four of the students tested had appeals approved that did not appear warranted.

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**DEPARTMENT OF COMMERCE**

Finding 10-1	Page 102
CFDA # 14.255:	U.S. DEPARTMENT HOUSING AND URBAN DEVELOPMENT Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (Recovery Act Funded) (State-Administered Small Cities Program)
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Commerce ensure that subrecipients receiving awards under the American Recovery and Reinvestment Act maintain current information in the Central Contractor Registration system in accordance with the American Recovery and Reinvestment Act Section 1512(h) and Code of Federal Regulations Section 176.50(c).
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-2	Page 102
CFDA # Various:	VARIOUS FEDERAL AGENCIES
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Commerce perform proper subrecipient monitoring procedures of OMB Circular A-133 audit requirements on an annual basis and implement a tracking system to ensure: <ul style="list-style-type: none"><li>• required audits are completed within 9 months of the end of the audit period;</li><li>• management decisions are issued within 6 months of receiving the audit reports; and</li><li>• subrecipients take timely and appropriate corrective action on all audit findings.</li></ul>
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-3	Page 104
CFDA # 93.569: 93.710	U.S. DEPARTMENT HEALTH AND HUMAN SERVICES CSBG Cluster
81.042:	U.S. DEPARTMENT OF ENERGY Weatherization Assistance for Low-Income Persons
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Commerce reconcile amounts reported on the federal financial status reports and federal program reports to the accounting system.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-4	Page 104
CFDA # 93.569: 93.710	U.S. DEPARTMENT HEALTH AND HUMAN SERVICES CSBG Cluster
81.042:	U.S. DEPARTMENT OF ENERGY Weatherization Assistance for Low-Income Persons
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Commerce properly document compliance with earmarking requirements based on actual expenditures.
Status:	The finding was implemented in accordance with the corrective action plan.

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**DEPARTMENT OF HEALTH**

Finding 10-5	Page 106
CFDA # 10.557:	U.S. DEPARTMENT OF AGRICULTURE Food and Nutrition Service Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Health comply with 7 CFR 246.12(p) and require local agencies to complete monthly physical inventory of pre-printed (manual) food instruments and cash-value vouchers on hand and also perform a reconciliation of the perpetual and physical inventories.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-6	Page 107
CFDA # 10.557:	U.S. DEPARTMENT OF AGRICULTURE Food and Nutrition Service Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Health strengthen controls to ensure proper information is reported on the summary of the results of vendor monitoring (TIP report) as required by 7 CFR 246.12(j)(5).
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-7	Page 107
CFDA # 10.557:	U.S. DEPARTMENT OF AGRICULTURE Food and Nutrition Service Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Health comply with 7 CFR 246.12 (k) (1) by implementing procedures to detect if a vendor has redeemed food instruments or cash-value vouchers more than 60 days after the first date of use.
Status:	Not implemented, however, changes were made and procedures implemented effective September 28, 2012. See current year finding #12-2.

Finding 10-8	Page 108
CFDA # 10.557:	U.S. DEPARTMENT OF AGRICULTURE Food and Nutrition Service Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Health comply with 7 CFR 246.12 (q) by: <ul style="list-style-type: none"><li>• properly identifying all food instruments as either redeemed or unredeemed in the WICnet system; and</li><li>• ensuring all redeemed food instruments and cash value vouchers are identified in the proper category.</li></ul>
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-9	Page 109
CFDA # 10.557:	U.S. DEPARTMENT OF AGRICULTURE Food and Nutrition Service Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Health implement controls: <ul style="list-style-type: none"><li>• to prevent food instruments and cash value vouchers keyed in with incorrect check numbers from overriding properly redeemed food instruments and cash value vouchers in the WICnet system; and</li><li>• to reconcile credits from the Bank of North Dakota to amounts request to be fixed or rejected by the State agency to ensure all account records are adjusted properly.</li></ul>
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-10	Page 110
CFDA # Various:	VARIOUS FEDERAL AGENCIES All Federal Programs
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Health: <ul style="list-style-type: none"><li>• establish a fraud risk assessment on a recurring basis; and</li><li>• design and document the necessary control activities to ensure that each significant fraud exposure identified during the risk assessment process has been adequately mitigated, including background investigations, and that each of the identified fraud risks has been adequately tested by management.</li></ul>
Status:	The finding was implemented in accordance with the corrective action plan.

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**DEPARTMENT OF HUMAN SERVICES**

Finding 10-11      Page 111

CFDA # 93.778:      U. S. DEPT OF HEALTH AND HUMAN SERVICES  
                                 Centers for Medicare and Medicaid Services  
                                 Medical Assistance Program

Questioned Cost:      Unknown

Recommendation:      We recommend the Department of Human Services develop sound methods or criteria for identifying suspected fraud cases, develop methods for investigating these cases, and develop a process, in cooperation with legal authorities, for referring suspected fraud cases to law enforcement officials.

Status:                      Finding was partially implemented as the Department finalized a policy and procedures manual effective June 2012. See current year finding #12-4.

Finding 10-12      Page 113

CFDA # 93.778:      U. S. DEPT OF HEALTH AND HUMAN SERVICES  
                                 Centers for Medicare and Medicaid Services  
                                 Medical Assistance Program

Questioned Cost:      Unknown

Recommendation:      We recommend the Department of Human Services ensure the SURS has adequate resources to develop a sampling plan that is properly designed and executed.

Status:                      Not implemented; however, the Department implemented a Sampling Plan Policy and Procedure that was effective September 1, 2012. See current year finding #12-3.

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Finding 10-13	Page 114
CFDA # 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medical Assistance Program
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services ensure the administrator of the SURS unit has the necessary knowledge and skills to conduct utilization reviews and identify suspected fraud by requiring the administrator at a minimum to have the following qualifications as required by the Medicaid program: <ul style="list-style-type: none"><li>• professional certification, license, or specialized training related to Medicaid claims;</li><li>• positive reputation and standing of licensed medical professionals in the view of peers; and</li><li>• experience in the type of tasks to be performed.</li></ul>
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-14	Page 115
CFDA # 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medical Assistance Program
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services sufficiently organize the SURS outside the control of other Medicaid operations so the SURS can objectively perform their function.
Status:	Finding was partially implemented. The Department will implement additional processes to document independence. See current year finding #12-5.

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Finding 10-15	Page 116
CFDA # 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Medical Assistance Program
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services apply for a new Federal waiver or work to create a Medicaid Fraud Control Unit that is separate and distinct from the Department of Human Services.
Status:	Finding was partially implemented. The Department will continue working with CMS and the appropriate action will be taken after a response is received. See current year finding #12-7.

Finding 10-16; 08-4; 06-7	Page 117
CFDA # 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medical Assistance Program
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Human Services conduct a risk analysis of the Medicaid system and any additions/modifications to that system every biennium and maintain documentation of the analysis for review.
Status:	Finding was partially implemented. The Department will continue to enhance the risk analysis document. See current year finding #12-9.

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Finding 10-17; 08-3; 06-6	Page 118
CFDA # 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medical Assistance Program
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services implement procedures to ensure: <ul style="list-style-type: none"><li>• all applicable Medicaid provider files contain the federal form W-9, and provider agreement; and</li><li>• out of state providers and in-state privately owned clinics without a lab meet the prescribed health and safety standards.</li></ul>
Status:	Finding was partially implemented. The Department continues to update provider files. See current year finding #12-15.

Finding 10-18	Page 119
CFDA # 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medical Assistance Program
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Human Services credit the Medicaid program for overpayments made to providers of medical services within the required timeframe of identification of the overpayment.
Status:	Finding was partially implemented in accordance with the corrective action plan. See current year finding #12-16.

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Finding 10-19	Page 120
CFDA # 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medical Assistance Program
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Human Services establish a fraud hotline. The hotline information should be easy to locate on the department's website as well as searchable from the nd.gov website. In addition, a process should be implemented to ensure input on potential fraud from the fraud hotline is investigated in a timely and appropriate manner.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-20	Page 121
CFDA # 93.558, 93.714:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families TANF Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services take steps to ensure all TANF payments are proper, including providing additional training to caseworkers on the IEVS requirements.
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-21	Page 122
CFDA # 93.568:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Division of Energy Assistance Low Income Home Energy Assistance
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services ensure proper monitoring is in place for the eligibility cases being processed at the county level.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-22	Page 123
CFDA # 93.575, 93.596, 93.713:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	\$240
Recommendation:	We recommend the Department of Human Services notify eligibility workers of the proper procedures that must be followed when inputting data into the Child Care Assistance System and that DHS provide additional training in this area as needed.
Status:	The finding was implemented in accordance with the corrective action plan; however the corrective action plan was not sufficient to implement the recommendation. See current year finding #12-18.

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Finding 10-23	Page 124
CFDA # 84.126, 84.390:	U.S. DEPARTMENT OF EDUCATION Vocational Rehabilitation Cluster
Questioned Cost:	\$474
Recommendation:	We recommend the Department of Human Services: a) Make a timely eligibility determination for all individuals that apply for vocational rehabilitation services; and b) Ensure that the Individualized Plan for Employment is reviewed by both the vocational rehabilitation counselor and the client on at least an annual basis.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-24	Page 125
CFDA # Various:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES All grants receiving ARRA funding
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Human Services ensure that subrecipients receiving awards under the American Recovery and Reinvestment Act maintain current information in the Central Contractor Registration system in accordance with the American Recovery and Reinvestment Act Section 1512(h) and Code of Federal Regulations Section 176.50(c).
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-25	Page 125
CFDA # Various:	VARIOUS FEDERAL AGENCIES Various Federal Programs
Questioned Cost:	\$0
Recommendation:	We recommend that the Department of Human Services use appropriate care and comply with OMB Circular A-133 when preparing the Schedule of Expenditure of Federal Awards to ensure all of the information included is proper.
Status:	Partially Implemented. See current year finding #12-27.

**DEPARTMENT OF PUBLIC INSTRUCTION**

Finding 10-26	Page 127
CFDA # 84.389, 84.391, 84.392:	U.S. DEPARTMENT OF EDUCATION Title I Grants to Local Agencies, Recovery Act; Special Education Grants to States, Recovery Act; Special Education Preschool Grants, Recovery Act
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Public Instruction: 1. Identify to first-tier subrecipients the requirement to register in the Central Contractor Registration (CCR); 2. Ensure subrecipients' information in the CCR is kept current.
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-27	Page 128
CFDA # Various:	U.S. DEPARTMENT OF EDUCATION All grants with subrecipients
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Public Instruction take appropriate action using sanctions in cases of continued inability or unwillingness of a subrecipient to have the required audits.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-28	Page 129
CFDA # 84.010, 84.389:	U.S. DEPARTMENT OF EDUCATION Title I, Part A Cluster
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Public Instruction properly identify Title I districts and schools identified for improvement, corrective action, or restructuring in the Consolidated State Performance Report.
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-29	Page 130
CFDA # 10.553, 10.555, 10.556, 10.558, 10.559:	U.S. DEPARTMENT OF AGRICULTURE Child Nutrition Cluster Child and Adult Care Food Program
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Public Instruction maintain accurate and complete records with respect to the receipt, distribution, and inventory of donated foods.
Status:	Not implemented; however, the Department of Public Instruction implemented the new NDFoods system on July 1, 2012. See current year finding #12-28.

Finding 10-30	Page 131
CFDA # 84.287:	U.S. DEPARTMENT OF EDUCATION Twenty-First Century Community Learning Centers
Questioned Cost:	\$10,666
Recommendation:	We recommend the Department of Public Instruction properly track Twenty-First Century Community Learning Center state activity costs to assure compliance with the requirement that no more than 3% of the grant be spent on state activities and no less than 95% be spent on grants to subrecipients.
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-31	Page 132
CFDA # 84.287:	U.S. DEPARTMENT OF EDUCATION Twenty-First Century Community Learning Centers
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Public Instruction properly perform and document subrecipient monitoring.
Status:	The finding was implemented in accordance with the corrective action plan.

**DEPARTMENT OF TRANSPORTATION**

Finding 10-32	Page 132
CFDA # 20.205:	U.S. DEPARTMENT OF TRANSPORTATION Highway Planning and Construction Cluster
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Transportation ensure that subrecipients receiving awards under the American Recovery and Reinvestment Act maintain current information in the Central Contractor Registration system in accordance with the American Recovery and Reinvestment Act Section 1512(h) and Code of Federal Regulations Section 176.50(c).
Status:	NDDOT did implement procedures to ensure that subrecipients receiving ARRA funds maintain current information in the CCR. It should be noted that NDDOT's ARRA funding has been expended, therefore this finding is no longer relevant in relation to future ARRA funding, as there is no longer such funding available.

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Finding 10-33	Page 132
CFDA # Various:	U.S. DEPARTMENT OF TRANSPORTATION All grants with subrecipients
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Transportation ensure that subrecipients expending \$500,000 or more in Federal awards have met the audit requirements of OMB Circular A-133.
Status:	NDDOT is in the process of implementing additional procedures, in addition to those already present, to ensure that all subrecipients spending \$500,000 or more in federal awards meet the audit requirements of OMB Circular A-133. See current year finding #12-36.

**HIGHWAY PATROL**

Finding 10-34	Page 133
CFDA # 20.218:	U.S. DEPARTMENT OF TRANSPORTATION National Motor Carrier Safety Assistance Program
Questioned Cost:	\$0
Recommendation:	We recommend the North Dakota Highway Patrol establish internal controls surrounding federal financial reporting to ensure federal financial reports are submitted in accordance with program guidelines.
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-35	Page 134
CFDA # 20.218:	U.S. DEPARTMENT OF TRANSPORTATION National Motor Carrier Safety Assistance Program
Questioned Cost:	\$0
Recommendation:	We recommend the North Dakota Highway Patrol: <ol style="list-style-type: none"><li>1. establish internal controls to ensure the maintenance of effort is calculated properly;</li><li>2. calculate the maintenance of effort for the National Motor Carrier Safety Program in accordance with 49 CFR part 350.301; and</li><li>3. ensure the maintenance of effort calculation is properly supported.</li></ol>
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 10-36	Page 135
CFDA # 20.218:	U.S. DEPARTMENT OF TRANSPORTATION National Motor Carrier Safety Assistance Program
Questioned Cost:	\$0
Recommendation:	We recommend the Highway Patrol establish controls to ensure the Schedule of Expenditures of Federal Awards is completed properly.
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 10-37	Page 135
CFDA # 20.218:	U.S. Department of Transportation National Motor Carrier Safety Assistance Program
Questioned Cost:	\$0
Recommendation:	We recommend the North Dakota Highway Patrol effectively utilize the state's accounting system to ensure accurate reporting.
Status:	The finding was implemented in accordance with the corrective action plan.

**OFFICE OF MANAGEMENT AND BUDGET**

Finding 10-38	Page 136
CFDA # Various:	VARIOUS FEDERAL AGENCIES Various Federal Programs
Questioned Cost:	\$0
Recommendation:	We recommend the Office of Management and Budget work with state agencies when calculating clearance patterns in order to determine which months accurately represent the flow of Federal funds under each Federal assistance program to which it is applied.
Status:	Not implemented. See current year finding #12-45.

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**DICKINSON STATE UNIVERSITY (DSU)**

Finding 10-39	Page 137
CFDA: 84.032	U.S. DEPARTMENT OF EDUCATION Student Financial Aid Cluster
Questioned Cost:	\$0
Recommendation:	We recommend that DSU's Financial Aid Office: 1. Follow federal regulations and its' own policies, when approving SAP appeals; 2. Better document reasons for granting approvals of SAP appeals; Obtain compelling corroborating evidence from the student and/or 3rd party that properly support the reasons for approving an appeal including but not limited to, a statement from a doctor or mental health professional, information and support from the Student's Advisor and/or School Counselor, statement from a lawyer in a divorce settlement, or a police report.
Status:	Dickinson State University disagreed with the recommendation and assertion that a student's financial aid appeal was approved without following our own and federal regulations. DSU still disagrees with the assertion and does follow federal guidelines with respect to student financial aid appeals. The approval or denial of an appeal is a judgment call; an auditor's view of the circumstances may differ from the university that in itself doesn't make it an error on the part of the university. Moreover, DSU documents the reasons for appeals approval or denial and that documentation is maintained in the students financial aid file
Auditor concluding remarks:	As of fiscal year 2012, DSU's Satisfactory Academic Progress procedures and policies continue to be inadequate and not in compliance with federal regulations. See current year finding #12-53.

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**STATE OF NORTH DAKOTA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**For the fiscal years ended June 30, 2012 and 2011  
By State Agency**

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**NORTH DAKOTA STATE UNIVERSITY (NDSU)**

Finding 10-40	Page 138
CFDA: 81.112	U.S. DEPARTMENT OF ENERGY Research and Development Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend that NDSU establish a fee schedule for each internal service fund based on actual costs and apply the fee schedule to all users of the internal service fund.
Status:	<p>NDSU considers this prior recommendation implemented, although there is a different finding on this same project in the current audit. The IT division completed a comprehensive cost study, as indicated in the prior audit response. Uniform rates were established for the internal service fund, with the exception of this unique service level agreement (SLA) which utilized special personnel requiring a higher documented rate in order to fairly and more accurately charge all customers for services.</p> <p>The grant was properly credited for the specific errors noted in the previous audit: the \$40,656 overbilling and the \$3,310 journal entry correction.</p>
Auditor concluding remarks:	Although NDSU made improvements to correct discrepancies found during the prior audit, they did not implement a main aspect of the recommendation, which is to bill users based on actual costs. Based on the review of the fiscal years 2011 and 2012 service level agreements, NDSU billed in advance of services being provided based on estimated hours that employees were expected to commit to the agreement, rather than billing after services have been provided based on actual hours that employees provided to the agreement. Based on NDSU's status, there was apparently a misunderstanding on the intent of the prior finding, which is why the State Auditor's Office reworded the recommendation to more clearly state the objective. See current year finding #12-52.

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**STATE OF NORTH DAKOTA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**For the fiscal years ended June 30, 2012 and 2011  
By State Agency**

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**UNIVERSITY OF NORTH DAKOTA (UND)**

Finding 10-41      Page 139

CFDA # 84.063:      U.S. DEPARTMENT OF EDUCATION  
Federal Student Aid Cluster

Questioned Cost:    \$6,997

Recommendation:   We recommend that UND:

- Reduce the amount of federal financial aid downward, instead of adjusting the Cost of Attendance (COA) upward, in cases where a change in the student's residency status for tuition and fees reduces the COA, and for cases where additional awards cause over-awards (i.e. additional scholarships, tuition waivers, etc.); and
- Apply professional judgment more prudently when adjusting student awards to ensure that the adjustment relates to the special circumstances that differentiate a given student's condition.

Status:                The finding was implemented in accordance with the corrective action plan.

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**STATE OF NORTH DAKOTA  
NORTH DAKOTA STATE AGENCIES  
(With Acronyms)**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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<b><u>Acronym</u></b>	<b><u>Agency</u></b>
10100	Governor's Office
10800	Secretary of State
11000	Management and Budget
11200	Information Technology Department
11700	Auditor
12500	Attorney General
18000	State Courts
20100	Public Instruction
25000	Library
25300	School for the Blind
27000	Career and Technical Education
30100	Health Department
31300	Veterans' Home
32500	Human Services
36000	Protection and Advocacy
40100	Insurance Department
40500	Industrial Commission
40600	Labor Department
40800	Public Service Commission
41200	Aeronautics
50400	Highway Patrol
53000	Corrections and Rehabilitation
54000	Adjutant General
60100	Commerce
60200	Agriculture
70100	Historical Society
70900	Arts Council
72000	Game and Fish

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**STATE OF NORTH DAKOTA  
NORTH DAKOTA STATE AGENCIES  
(With Acronyms)**

**For the Fiscal Years Ended June 30, 2012 and 2011**

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75000	Parks and Recreation
77000	Water Commission
80100	Transportation
BSC	Bismarck State College
DCB	Dakota College at Bottineau
DSU	Dickinson State University
LRSC	Lake Region State College
MASU	Mayville State University
MISU	Minot State University
NDSCS	North Dakota State College of Science
NDSU	North Dakota State University
NDUS	University System
UND	University of North Dakota
VCSU	Valley City State University
WSC	Williston State College