

State Of North Dakota

Single Audit Report

Fiscal Years Ended June 30, 2016 and 2015



Prepared by the Office of the State Auditor

Joshua C. Gallion, State Auditor

**STATE OF NORTH DAKOTA
SINGLE AUDIT**

For the Fiscal Years Ended June 30, 2016 and 2015

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March 28, 2017

Honorable Doug Burgum
Governor, State of North Dakota

Members of the Legislative Assembly
of the State of North Dakota

Ms. Pam Sharp, CPA, Director
Office of Management and Budget

We are pleased to submit the single audit of the State of North Dakota, covering the fiscal years ended June 30, 2016 and 2015.

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 2016 and 2015. 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 2016 and 2015. 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, 2016 and 2015, and are available upon request.

Respectfully submitted,

A handwritten signature in cursive script, reading "Joshua C. Gallion".

Joshua C. Gallion
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***

The Honorable Jack Dalrymple, Governor
of the state of North Dakota

Members of the Legislative Assembly
of the state of North Dakota

Ms. Pam Sharp, CPA, Director
Office of Management and Budget

We have audited, in accordance with auditing standards general 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, 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 year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the state's basic financial statements and have issued our report thereon dated December 16, 2015.

Our report includes a reference to other auditors who audited the following entities, as described in our report on the state of North Dakota's financial statements:

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

Mandan Remediation Trust
Medical Facility Infrastructure Loan Program
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 over financial reporting or compliance and other matters that are reported on separately by those

auditors. The financial statements of the North Dakota University System's foundations, that are discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the state of North Dakota's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state of North Dakota's internal control. Accordingly, we do not express an opinion on the effectiveness of the state of North Dakota's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule entitled *Findings, Recommendations, and Management Responses* we identified certain deficiencies in internal control we consider to be a material weakness and another finding we consider to be a significant deficiency.

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 entitled *Findings, Recommendations, and Management Responses*, (Finding 15-1) to be a material weakness.

A *significant deficiency* is a deficiency, or 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 deficiency described in the accompanying schedule entitled *Findings, Recommendations, and Management Responses*, (Finding 15-2) to be a significant deficiency.

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*.

State of North Dakota's Response to Findings

The state of North Dakota's response to the findings identified in our audit is described in the accompanying schedule entitled *Findings, Recommendations, and Management Responses*. The state of North Dakota's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Robert R. Peterson
State Auditor



Edwin J. Nagel, Jr., CPA
Director

December 16, 2015

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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***

The Honorable Doug Burgum, Governor
of the state of North Dakota

Members of the Legislative Assembly
of the state of North Dakota

Ms. Pam Sharp, CPA, Director
Office of Management and Budget

We have audited, in accordance with auditing standards general 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, 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 year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the state's basic financial statements and have issued our report thereon dated December 15, 2016.

Our report includes a reference to other auditors who audited the following entities, as described in our report on the state of North Dakota's financial statements:

Addiction Counselor Internship Loan Program	Job Service North Dakota
Bank of North Dakota	Mandan Remediation Trust
Beginning Farmer Revolving Loan Fund	Medical Facility Infrastructure Loan Program
Building Authority	PACE and AG PACE Funds
College SAVE	Public Employees Retirement System
Community Water Facility Loan Fund	Rebuilders Loan Program
Department of Trust Lands	Retirement and Investment Office
Guaranteed Student Loan Program	State Fair Association
Housing Finance Agency	Student Loan Trust
Housing Incentive Fund	Workforce Safety and Insurance
	All Discretely Presented Component Units

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the North Dakota University System's foundations, that are discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the state of North Dakota's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state of North Dakota's internal control. Accordingly, we do not express an opinion on the effectiveness of the state of North Dakota's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the schedule entitled *Findings, Recommendations, and Management Responses* (Finding 16-1) that we consider to be a significant deficiency.

Compliance and Other Matters

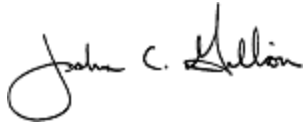
As part of obtaining reasonable assurance about whether the state of North Dakota's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

State of North Dakota's Response to the Finding

The state of North Dakota's response to the finding identified in our audit is described in the accompanying schedule entitled *Findings, Recommendations, and Management Responses*. The state of North Dakota's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Joshua C. Gallion
State Auditor



Edwin J. Nagel, Jr., CPA
Director

December 15, 2016

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

The Honorable Doug Burgum, Governor
of the state of North Dakota

Members of the Legislative Assembly
of the state of North Dakota

Ms. Pam Sharp, CPA, Director
Office of Management and Budget

Report on Compliance for Each Major Federal Program

We have audited the State of North Dakota's compliance with the types of compliance requirements described in the *OMB 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, 2016 and 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor Responsibility

Our responsibility is to express an opinion on compliance for each of the State of North Dakota's major federal programs based on our audit of the types of compliance requirement referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the State of North Dakota's compliance.

Basis for Adverse Opinion on the Medicaid Cluster

As described in the accompanying schedule of findings and questioned costs, the State of North Dakota did not comply with requirements regarding the Medicaid Cluster as described in finding numbers 2016-002 for Reporting, 2016-003 for Special Tests, 2016-004 for Eligibility and 2016-005 for Matching. Compliance with such requirements is necessary, in our opinion, for the State of North Dakota to comply with the requirements applicable to that program.

Adverse Opinion on the Medicaid Cluster

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the State of North Dakota did not comply in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medicaid Cluster for the years ended June 30, 2016 and 2015.

Basis for Qualified Opinion on the CCDF Cluster Children's Health Insurance Program, and Mathematics and Science Partnerships

As described in the accompanying schedule of findings and questioned costs, the State of North Dakota did not comply with certain compliance requirements that are applicable to the major federal programs listed below. Compliance with such requirements is necessary, in our opinion, for the State of North Dakota to comply with the requirements applicable to that program.

<u>Program/Cluster Title</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
CCDF Cluster (CFDA's 93.575 and 93.596)	Eligibility	2016-018
	Allowable Costs	2016-019
Children's Health Insurance Program (CFDA 93.767)	Eligibility	2016-016
Mathematics and Science Partnerships (CFDA 84.366)	Subrecipient Monitoring	2016-063

Qualified Opinion on the CCDF Cluster, Children's Health Insurance Program and Mathematics and Science Partnerships

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of North Dakota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the CCDF Cluster, Children's Health Insurance Program, and Mathematics and Science Partnerships for the years ended June 30, 2016 and 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State of North Dakota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the years ended June 30, 2016 and 2015.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questions costs as items 2016-001, 2016-007, 2016-008, 2016-010, 2016-011, 2016-012, 2016-013, 2016-014, 2016-015, 2016-021, 2016-022, 2016-027, 2016-028, 2016-029, 2016-031, 2016-032, 2016-033, 2016-037, 2016-038, 2016-039, 2016-043, 2016-044, 2016-045, 2016-046, 2016-047, 2016-048, 2016-050, 2016-052, 2016-053, 2016-054, 2016-055, 2016-056, 2016-059, 2016-060, 2016-062, 2016-064, 2016-065, 2016-066, 2016-067, 2016-068, 2016-071, 2016-072, 2016-073 and 2016-074. Our opinion on each major federal program is not modified with respect to these matters.

The State of North Dakota's response / Corrective Action Plan to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The State of North Dakota's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the State of North Dakota is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State of North Dakota's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the State of North Dakota's 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 2016-002, 2016-004, 2016-005, 2016-006, 2016-016, 2016-018, and 2016-020 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2016-001, 2016-008, 2016-009, 2016-010, 2016-011, 2016-012, 2016-017, 2016-022, 2016-023, 2016-024, 2016-025, 2016-026, 2016-028, 2016-030, 2016-031, 2016-032, 2016-033, 2016-034, 2016-035, 2016-036, 2016-037, 2016-038, 2016-040, 2016-041, 2016-042, 2016-043, 2016-044, 2016-045, 2016-046, 2016-047, 2016-048, 2016-049, 2016-051, 2016-053, 2016-054, 2016-056, 2016-057, 2016-058, 2016-059, 2016-061, 2016-065, 2016-066, 2016-069, 2016-070 and 2016-074 to be significant deficiencies.

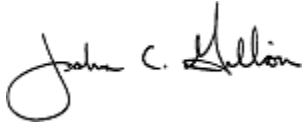
The State of North Dakota's response / Corrective Action Plan to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs as. The State of North Dakota's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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 for the State of North Dakota as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collective comprise the State of North Dakota's basic financial statements. We issued our reports thereon dated December 15, 2016 and December 16, 2015, respectively, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Joshua C. Gallion
State Auditor



Edwin J. Nagel, Jr., CPA
Director

Bismarck, North Dakota

March 28, 2017

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Years Ended June 30, 2016 and 2015

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Corporation For National And Community Service						
Unclustered						
Direct Programs:						
94.002	Retired and Senior Volunteer Program	NDSU			\$ 364,557	\$ 359,674
94.003	State Commissions	60100			98,431	93,471
94.006	AmeriCorps	60100			565,845	599,881
94.013	Volunteers in Service to America	NDSU				4,493
Pass Through Non-State Entity:						
94.006	AmeriCorps	MISU	Regis University/Colorado Campus Compact	13EDHCO001	\$ 1,178	\$
94.006	AmeriCorps	MISU	Regis University/Colorado Campus Compact	N/A		1,963
Total for Unclustered					\$ 1,030,011	\$ 1,059,482
Foster Grandparent/Senior Companion Cluster						
Direct Programs:						
94.011	Foster Grandparent Program	NDSU			\$ 115,349	\$ 180,737
94.011	Foster Grandparent Program	32500			248,269	256,627
Total for Foster Grandparent/Senior Companion Cluster					\$ 363,618	\$ 437,364
Total For Corporation For National And Community Service					\$ 1,393,629	\$ 1,496,846
Department Of Commerce						
Unclustered						
Direct Programs:						
11.020	Cluster Grants	UND			\$ 111,101	\$ 3,891
11.302	Economic Development - Support for Planning Organizations	DCB				202,522
11.549	ARRA - State and Local Implementation Grant Program	11200			306,441	116,152
11.558	ARRA - State Broadband Data and Development Grant Program	11200				394,936
Total for Unclustered					\$ 417,542	\$ 717,501
Unclustered						
Pass Through Non-State Entity:						
11.XXX	NOAA NWS National Mesonet Program	NDSU	Global Science & Technology, Inc.	SA15-NDSU01	\$ 111,662	\$
Total for Unclustered					\$ 111,662	\$

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Years Ended June 30, 2016 and 2015

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Research & Development Cluster						
Direct Programs:						
11.431	Climate and Atmospheric Research	UND			\$ 86,908	\$ 24,252
11.440	Environmental Sciences, Applications, Data, and Education	UND			19,077	155,699
11.468	Applied Meteorological Research	UND			142,580	5,123
Total for Research & Development Cluster					\$ 248,565	\$ 185,074
Total For Department Of Commerce					\$ 777,769	\$ 902,575
Department Of Defense						
Unclustered						
Direct Programs:						
12.112	Payments to States in Lieu of Real Estate Taxes	12000			\$	\$ 224,010
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54000			51,828,316	20,905,955
Nonmonetary Assistance:						
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54000			\$ 53,228	\$ 23,200
Total for Unclustered					\$ 51,881,544	\$ 21,153,165
Unclustered						
Direct Programs:						
12.XXX	Defense Access Road Program	80100		ROM03001	\$ 2,520,912	\$ 3,482,035
12.XXX	Educational Service Agreement - Air Force	UND		F33600-99-A-0080	59,735	7,540
12.XXX	Educational Service Agreement - Army	UND		W81K04-08-H-0080	82,882	109,034
12.XXX	Navy - Educational Service Agreement	UND		N00140-98-G2501	28,354	
12.XXX	Operation Military Kids	NDSU		NAFBA1-13-M-0201/333		56,751
Pass Through Non-State Entity:						
12.XXX	Army Youth Development Project - Acosta	NDSU	Auburn University	13-BGCA-Army-NDSU	\$	\$ 7,931
12.XXX	Army Youth Development Project - Wendt	NDSU	Auburn University	13-BGCA-Army-NDSU-2		867
Total for Unclustered					\$ 2,691,883	\$ 3,664,158

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Years Ended June 30, 2016 and 2015

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Research & Development Cluster						
Direct Programs:						
12.300	Basic and Applied Scientific Research	UND			\$	\$ 358,388
12.300	Basic and Applied Scientific Research	NDSU				340,105 150,027
12.420	Military Medical Research and Development	UND				44,067 97,889
12.431	Basic Scientific Research	NDSU				219,692 54,083
12.599	Congressionally Directed Assistance	UND				682,801 1,603,360
12.800	Air Force Defense Research Sciences Program	NDSU				306,257 216,017
12.800	Air Force Defense Research Sciences Program	UND				19,543 55,128
12.901	Mathematical Sciences Grants Program	NDSU				11,762 17,017
12.XXX	Electrochemical Techniques to Probe Coating Heterotgene	NDSU		W911NF-11-2-0027		16,021
12.XXX	High Performance Tunable Materials Phase II	NDSU		H94003-11-2-1103		15,594
12.XXX	Innovative Nanostructured Anodes for High Capacity Li-Ion Space Batteries	NDSU		W911NF-10-2-0055		247,516
12.XXX	Thermal Catalytic Syngas Cleanup for High-Efficiency Waste-Energy Converters	UND		W912HQ-12-C-0026	102,959	445,782
Pass Through Non-State Entity:						
12.300	Basic and Applied Scientific Research	UND	Colorado State University	G-00976-1	\$ 88,272	\$
12.XXX	CCAT-Liquid Fuel Illinois Coal	UND	Connecticut Center for Advanced Technology Inc.	13-K023		26,237
12.XXX	Defense Advances Research Projects Agency - Advanced Scanning Technology for Imaging Radars	NDSU	Teledyne Technologies Incorporated	PO 00118624	18,542	
12.XXX	Innovative Nanostructured Anodes for High Capacity	NDSU	Triton Systems, Inc.	TSI-2413-12-101608		59,610
12.XXX	Magnesium/Zinc Rich Primer for the Protection of Steel Structures	NDSU	PPG Industries	D38958		116,888
12.XXX	Systems Testing in Support of Liquid Fuels Development for Military Applications	UND	Connecticut Center for Advanced Technology Inc.	11-K023	5,135	165,007
12.XXX	WPSON-15-02 Standardized Test Methodologies	NDSU	Boeing Commercial Airplane Company	1133183	62,486	
Total for Research & Development Cluster					\$ 1,901,621	\$ 3,644,564
Total For Department Of Defense					\$ 56,475,048	\$ 28,461,887

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Department Of Education						
Unclustered						
Direct Programs:						
84.002	Adult Education - Basic Grants to States	20100			\$ 1,227,225	\$ 1,361,063
84.010	Title I Grants to Local Educational Agencies	20100			33,318,580	34,143,589
84.011	Migrant Education - State Grant Program	20100			297,939	262,491
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	20100			122,216	118,551
84.031	Higher Education - Institutional Aid	WSC			457,860	332,745
84.031	Higher Education - Institutional Aid	BSC			287,742	252,732
84.031	Higher Education - Institutional Aid	MISU			27,706	173,895
84.048	Career and Technical Education - Basic Grants to States	27000			4,305,630	4,489,068
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	32500			10,150,393	7,022,208
84.129	Rehabilitation Long-Term Training	32500				20,458
84.144	Migrant Education - Coordination Program	20100			153,832	
84.161	Rehabilitation Services - Client Assistance Program	32500			116,066	88,402
84.169	Independent Living - State Grants	32500			361,277	232,355
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	32500			276,943	188,366
84.181	Special Education-Grants for Infants and Families	32500			2,651,972	2,635,389
84.184	School Safety National Activities	20100			156,174	65,226
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	32500			299,052	223,602
84.196	Education for Homeless Children and Youth	20100			167,003	160,058
84.224	Assistive Technology	32500			360,617	328,404
84.240	Program of Protection and Advocacy of Individual Rights	36000			172,008	145,947
84.287	Twenty-First Century Community Learning Centers	20100			6,067,405	5,834,593
84.323	Special Education - State Personnel Development	20100			493,270	439,972
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	MISU			59,974	87,844
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	DCB			191,732	170,059

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
84.326	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	20100			65,000	94,227
84.343	Assistive Technology - State Grants for Protection and Advocacy	36000			43,602	57,354
84.358	Rural Education	20100			48,985	23,699
84.365	English Language Acquisition State Grants	20100			785,580	607,355
84.366	Mathematics and Science Partnerships	20100			610,033	813,007
84.367	Supporting Effective Instruction State Grant	20100			10,180,299	11,991,125
84.367	Supporting Effective Instruction State Grant	NDUS			266,039	335,816
84.369	Grants for State Assessments and Related Activities	20100			3,593,478	3,105,052
84.372	Statewide Longitudinal Data Systems	20100			1,475,733	966,936
84.377	School Improvement Grants	20100			1,150,820	1,085,237
84.407	Transition Programs for Students with Intellectual Disabilities into Higher Education	MISU			292,709	244,051
84.XXX	Other Department of Education Programs	20100		ED-08-CO-0075	105,275	
Nonmonetary Assistance:						
84.906	American Printing House for the Blind	25300			\$ 95,948	\$ 90,439
Pass Through Non-State Entity:						
84.010	Title I Grants to Local Educational Agencies	UND	Grand Forks Public School District Building Authority	N/A	\$ 60,411	\$
84.328	Special Education - Parent Information Centers	MISU	Pathfinder Parent Center	N/A	1,414	1,683
84.367	Supporting Effective Instruction State Grant	NDSU	National Writing Project	14-ND02-SEED2016	770	
84.367	Supporting Effective Instruction State Grant	MISU	National Writing Project	2A-04-ND03-SEED2012		10,000
84.367	Supporting Effective Instruction State Grant	MISU	National Writing Project	2B-04-ND03-SEED2012	10,000	
84.367	Supporting Effective Instruction State Grant	NDSU	University of California - Berkley	14-ND02-SEED2014	18,835	21,158
84.418	Promoting Readiness of Minors in Supplemental Security Income	MISU	Utah State Office of Rehabilitation	146213	377,097	312,562
<i>Total for Unclustered</i>					<u>\$ 80,904,644</u>	<u>\$ 78,536,718</u>
<i>Unclustered</i>						
Direct Programs:						
84.XXX	Other Department of Education Programs	20100		ED-08-CO-0075	\$	\$ 101,310
<i>Total for Unclustered</i>					<u>\$</u>	<u>\$ 101,310</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Special Education Cluster (IDEA)						
Direct Programs:						
84.027	Special Education - Grants to States	20100			\$ 28,699,653	\$ 27,082,437
84.173	Special Education - Preschool Grants	20100			803,813	818,107
Total for Special Education Cluster (IDEA)					\$ 29,503,466	\$ 27,900,544
Student Financial Assistance Cluster						
Direct Programs:						
84.007	Federal Supplemental Educational Opportunity Grants	NDSCS			\$ 145,950	\$ 136,811
84.007	Federal Supplemental Educational Opportunity Grants	DCB			32,000	32,243
84.007	Federal Supplemental Educational Opportunity Grants	MASU			66,037	72,470
84.007	Federal Supplemental Educational Opportunity Grants	BSC			97,200	104,000
84.007	Federal Supplemental Educational Opportunity Grants	LRSC			27,255	31,700
84.007	Federal Supplemental Educational Opportunity Grants	MISU			127,616	122,230
84.007	Federal Supplemental Educational Opportunity Grants	VCSU			83,508	98,840
84.007	Federal Supplemental Educational Opportunity Grants	DSU			112,200	99,031
84.007	Federal Supplemental Educational Opportunity Grants	UND			791,347	862,849
84.007	Federal Supplemental Educational Opportunity Grants	WSC			26,597	20,400
84.007	Federal Supplemental Educational Opportunity Grants	NDSU			783,351	804,963
84.033	Federal Work-Study Program	DCB			48,375	46,734
84.033	Federal Work-Study Program	DSU			203,125	138,629
84.033	Federal Work-Study Program	WSC			10,377	9,206
84.033	Federal Work-Study Program	LRSC			28,718	37,871
84.033	Federal Work-Study Program	NDSU			452,869	429,160
84.033	Federal Work-Study Program	MASU			64,596	62,923
84.033	Federal Work-Study Program	UND			1,031,783	972,391
84.033	Federal Work-Study Program	VCSU			62,929	66,406
84.033	Federal Work-Study Program	MISU			150,655	156,041
84.033	Federal Work-Study Program	NDSCS			139,942	152,730
84.033	Federal Work-Study Program	BSC			32,985	30,823
84.038	Federal Perkins Loan Program	WSC			295,504	353,220

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
				2016	2015
84.038	Federal Perkins Loan Program	NDSU		8,726,534	8,706,745
84.038	Federal Perkins Loan Program	VCSU		1,018,768	1,029,350
84.038	Federal Perkins Loan Program	MASU		872,566	911,998
84.038	Federal Perkins Loan Program	NDSCS		1,640,450	1,732,616
84.038	Federal Perkins Loan Program	UND		20,572,508	21,813,811
84.038	Federal Perkins Loan Program	MISU		3,160,965	3,275,636
84.038	Federal Perkins Loan Program	BSC		519,665	658,967
84.038	Federal Perkins Loan Program	LRSC		535,379	556,893
84.038	Federal Perkins Loan Program	DSU		1,173,305	1,265,560
84.038	Federal Perkins Loan Program	DCB		339,216	354,143
84.063	Federal Pell Grant Program	DSU		1,217,827	1,461,030
84.063	Federal Pell Grant Program	DCB		940,243	1,156,570
84.063	Federal Pell Grant Program	MASU		1,400,437	1,261,219
84.063	Federal Pell Grant Program	MISU		2,570,606	2,764,098
84.063	Federal Pell Grant Program	NDSU		9,285,878	9,802,123
84.063	Federal Pell Grant Program	BSC		2,420,599	2,618,808
84.063	Federal Pell Grant Program	NDSCS		3,039,913	3,165,794
84.063	Federal Pell Grant Program	WSC		682,681	729,368
84.063	Federal Pell Grant Program	LRSC		1,210,991	1,037,307
84.063	Federal Pell Grant Program	VCSU		1,187,035	1,144,409
84.063	Federal Pell Grant Program	UND		8,645,373	8,968,831
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UND		148,739	213,955
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	VCSU		12,998	15,602
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	DSU		3,708	3,964
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	MASU		46,918	36,379
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	MISU		14,892	42,643

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
				2016	2015
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	NDSU		7,436	8,058
<i>Total for Student Financial Assistance Cluster</i>				<u>\$ 76,210,549</u>	<u>\$ 79,577,548</u>
<i>TRIO Cluster</i>					
Direct Programs:					
84.042	TRIO - Student Support Services	DCB		\$ 147,656	\$
84.042	TRIO - Student Support Services	NDSU		393,711	461,259
84.042	TRIO - Student Support Services	MISU		330,303	204,410
84.042	TRIO - Student Support Services	LRSC		232,097	216,921
84.042	TRIO - Student Support Services	DSU		253,286	222,186
84.042	TRIO - Student Support Services	UND		349,060	321,306
84.044	TRIO - Talent Search	UND		462,542	433,507
84.047	TRIO - Upward Bound	NDSU		277,611	265,361
84.047	TRIO - Upward Bound	UND		415,969	304,425
84.066	TRIO - Educational Opportunity Centers	UND		370,055	347,776
84.217	TRIO - McNair Post-Baccalaureate Achievement	NDSU		265,172	238,903
84.217	TRIO - McNair Post-Baccalaureate Achievement	UND		248,228	231,604
<i>Total for TRIO Cluster</i>				<u>\$ 3,745,690</u>	<u>\$ 3,247,658</u>
Total For Department Of Education				<u>\$ 190,364,349</u>	<u>\$ 189,363,778</u>
Department Of Energy					
<i>Unclustered</i>					
Direct Programs:					
81.041	State Energy Program	60100		\$ 555,968	\$ 143,106
81.042	Weatherization Assistance for Low-Income Persons	60100		2,566,443	3,222,111
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	BSC			73,680
81.122	Electricity Delivery and Energy Reliability, Research, Development and Analysis	BSC			267,113
<i>Total for Unclustered</i>				<u>\$ 3,122,411</u>	<u>\$ 3,706,010</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Unclustered						
Direct Programs:						
81.XXX	Direct Restitution	60100		N/A	\$ 2,832	\$ 18,255
81.XXX	State Heating Oil & Propane (SHOPP)	60100		DE-EI0000845	219	1,713
81.XXX	Stripperwell Settlement	60100		N/A	71,020	
Total for Unclustered					\$ 74,071	\$ 19,968
Research & Development Cluster						
Direct Programs:						
81.049	Office of Science Financial Assistance Program	UND			\$ 221,656	\$ 22,631
81.049	Office of Science Financial Assistance Program	NDSU			1,804,589	1,532,935
81.057	University Coal Research	UND			44,893	
81.087	ARRA - Renewable Energy Research and Development	UND				23,490
81.087	Renewable Energy Research and Development	NDSU			60,178	1,822,719
81.087	Renewable Energy Research and Development	UND			15,403	574,627
81.089	Fossil Energy Research and Development	UND			15,223,088	12,019,124
81.135	Advanced Research Projects Agency - Energy	UND				5,737
Pass Through Non-State Entity:						
81.042	Weatherization Assistance for Low-Income Persons	UND	Nevada Department of Business and Industry	N/A	\$ 108,356	\$
81.049	Office of Science Financial Assistance Program	UND	Cimentum	DE-SC0013901	26,775	
81.049	Office of Science Financial Assistance Program	UND	Envergex LLC	DE-SC0010209	359,850	252,615
81.049	Office of Science Financial Assistance Program	UND	Envergex LLC	DE-SC0011984	246,349	
81.049	Office of Science Financial Assistance Program	UND	Envergex LLC	DE-SC0013832	71,922	
81.049	Office of Science Financial Assistance Program	UND	Envergex LLC	DE-SC0015204	5,517	
81.049	Office of Science Financial Assistance Program	UND	Envergex LLC	N/A		74,848
81.086	Conservation Research and Development	UND	Institute of Gas Technology	S612	130,497	
81.086	Conservation Research and Development	NDSU	PPG Industries	DE-EE0005777	123,364	7,163
81.087	Renewable Energy Research and Development	NDSU	South Dakota State University	3TG147		2,330
81.089	Fossil Energy Research and Development	UND	Aerojet Rocketdyne	4410011243		219,470
81.089	Fossil Energy Research and Development	UND	Alstom Power Inc.	4101095123	139,894	
81.089	Fossil Energy Research and Development	UND	Institute of Gas Technology	S601	104,008	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
81.089	Fossil Energy Research and Development	UND	Praxair, Inc.	N/A	314,575	685,549
81.121	Nuclear Energy Research, Development and Demonstration	NDSU	Battelle Memorial Institute	4000128563		190,942
81.121	Nuclear Energy Research, Development and Demonstration	NDSU	UT-Battelle, LLC	4000128563	217,059	
81.135	Advanced Research Projects Agency - Energy	UND	FuelCell Energy, Inc.	10000244	28,718	68,623
81.135	Advanced Research Projects Agency - Energy	NDSU	Plant Sensory Systems, LLC	03132013	23,594	83,863
81.XXX	Advance Water Power	NDSU	Sandia National Laboratories	PO 1318700		101
81.XXX	Assessing Bakken Produced Water Microbial Communities	NDSU	URS Corp.	RES1403251		24,429
81.XXX	Battelle Memorial Institute - Deep Borehole Field Test Year 1	UND	Battelle Memorial Institute	527747	132,533	
81.XXX	Phase III - Magnesium Front End Research and Development	NDSU	United States Council for Automotive Research	13-2858-AMP		15,811
81.XXX	Real-time Estimation of Generator Dynamic States	NDSU	GE Global Research	400228018		10,846
81.XXX	Study of Tight Oil Properties	UND	Sandia Corporation	1515304	112,957	
<i>Total for Research & Development Cluster</i>					<u>\$ 19,515,775</u>	<u>\$ 17,637,853</u>
Total For Department Of Energy					<u>\$ 22,712,257</u>	<u>\$ 21,363,831</u>

Department Of Health And Human Services

Unclustered

Direct Programs:

93.041	Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	32500			\$	\$	31,388
93.042	Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	32500				67,216	32,021
93.043	Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	32500					13,447
93.047	Special Programs for the Aging - Title VI, Part A, Grants to Indian Tribes - Part B, Grants to Native Hawaiians	UND				219,247	136,847
93.048	Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	MISU				217,904	231,736
93.048	Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	UND				260,351	468,065
93.052	National Family Caregiver Support, Title III, Part E	32500				911,781	730,600
93.069	Public Health Emergency Preparedness	30100				4,120,613	4,033,757
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	30100				1,017,786	21,708

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
				2016	2015
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	NDSU		172,251	355,308
93.103	Food and Drug Administration - Research	60200		21,221	
93.103	Food and Drug Administration - Research	30100		51,392	
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	32500		47,798	136,740
93.107	Area Health Education Centers	UND		353,157	381,810
93.110	Maternal and Child Health Federal Consolidated Programs	MISU			92,220
93.110	Maternal and Child Health Federal Consolidated Programs	30100		94,372	96,333
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	30100		225,695	149,056
93.124	Nurse Anesthetist Traineeship	UND		17,645	19,233
93.127	Emergency Medical Services for Children	30100		147,972	134,721
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	30100		180,225	172,293
93.136	Injury Prevention and Control Research and State and Community Based Programs	30100		234,852	179,574
93.138	Protection and Advocacy for Individuals with Mental Illness	36000		538,943	409,892
93.150	Projects for Assistance in Transition from Homelessness (PATH)	32500		900	598,377
93.155	Rural Health Research Centers	UND		129,845	166,282
93.157	Centers of Excellence	UND		647,288	735,788
93.165	Grants to States for Loan Repayment Program	30100		69,999	195,566
93.178	Nursing Workforce Diversity	NDSU		404,690	176,437
93.178	Nursing Workforce Diversity	UND		346,191	362,424
93.184	Disabilities Prevention	MISU		297,814	303,162
93.191	Graduate Psychology Education	UND		197,635	184,144
93.217	Family Planning - Services	30100		1,031,216	978,491
93.223	Development and Coordination of Rural Health Services	UND		2,324,621	1,626,650
93.235	Affordable Care Act (ACA) Abstinence Education Program	30100		57,704	28,529
93.236	Grants to States to Support Oral Health Workforce Activities	30100		476,129	329,741
93.241	State Rural Hospital Flexibility Program	UND		732,593	697,574

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
				2016	2015
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	UND		145,585	97,566
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	32500		3,971,389	4,122,660
93.247	Advanced Nursing Education Grant Program	UND		491	169,487
93.247	Advanced Nursing Education Grant Program	NDSU			6,066
93.251	Universal Newborn Hearing Screening	MISU		259,591	247,123
93.267	State Grants for Protection and Advocacy Services	36000		49,461	44,159
93.268	Immunization Cooperative Agreements	30100		1,689,116	1,634,772
93.270	Adult Viral Hepatitis Prevention and Control	30100		52,873	71,756
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	MISU			12,481
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	30100		783,032	1,936,090
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	UND		311,545	331,838
93.301	Small Rural Hospital Improvement Grant Program	UND		564,666	358,475
93.305	National State Based Tobacco Control Programs	30100		940,453	148,663
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	MISU		157,219	157,531
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	30100		468,502	423,340
93.324	State Health Insurance Assistance Program	40100		261,891	261,692
93.332	Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	MISU		346,147	353,493
93.336	Behavioral Risk Factor Surveillance System	30100		203,501	22,761
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		486,954	390,520
93.531	PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	30100			125,398
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	30100		570,496	101,940

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
				2016	2015
93.556	Promoting Safe and Stable Families	32500		344,524	321,739
93.563	Child Support Enforcement	32500		10,972,826	10,448,662
93.566	Refugee and Entrant Assistance - State Administered Programs	32500		1,456,447	1,403,688
93.568	Low-Income Home Energy Assistance	32500		12,481,555	18,935,260
93.569	Community Services Block Grant	60100		3,148,360	3,281,531
93.576	Refugee and Entrant Assistance - Discretionary Grants	20100		155,086	14,534
93.586	State Court Improvement Program	18000		222,071	196,839
93.590	Community-Based Child Abuse Prevention Grants	32500		167,730	199,983
93.597	Grants to States for Access and Visitation Programs	32500		123,895	83,218
93.599	Chafee Education and Training Vouchers Program (ETV)	32500		79,352	68,488
93.600	Head Start	32500		102,847	154,875
93.600	Head Start	MASU		2,783,506	2,613,297
93.603	Adoption and Legal Guardianship Incentive Payments	32500		142,340	16,000
93.617	Voting Access for Individuals with Disabilities - Grants to States	10800		100,000	97,725
93.618	Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems	36000		50,376	59,740
93.630	Developmental Disabilities Basic Support and Advocacy Grants	32500		354,985	375,072
93.630	Developmental Disabilities Basic Support and Advocacy Grants	36000		435,911	345,577
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	MISU		547,862	539,776
93.643	Children's Justice Grants to States	32500		87,061	75,448
93.645	Stephanie Tubbs Jones Child Welfare Services Program	32500		431,693	621,378
93.647	Social Services Research and Demonstration	NDSU		327,982	626,058
93.658	Foster Care - Title IV-E	32500		13,440,181	13,089,266
93.659	Adoption Assistance	32500		5,942,502	5,460,193
93.667	Social Services Block Grant	32500		3,645,540	3,638,194
93.669	Child Abuse and Neglect State Grants	32500		72,861	121,252
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	30100		747,256	727,074
93.674	Chafee Foster Care Independence Program	32500		536,313	519,051
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	30100		544,750	499,502

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
				2016	2015
93.735	State Public Health Approaches for Ensuring Quitline Capacity – Funded in part by Prevention and Public Health Funds (PPHF)	30100		50,000	50,000
93.745	PPHF: Health Care Surveillance/Health Statistics - Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund	30100		24,298	
93.750	PPHF Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges	MISU			75,767
93.752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	30100		1,560,408	
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	30100		638,685	588,125
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	30100		381,997	250,893
93.767	Children's Health Insurance Program	32500		9,573,246	15,243,118
93.791	Money Follows the Person Rebalancing Demonstration	32500		2,661,640	3,026,784
93.815	Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC).	30100		112,414	5,090
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	30100		260,492	306,851
93.859	Biomedical Research and Research Training	UND		14,901	285,099
93.866	Aging Research	UND			28,113
93.884	Grants for Primary Care Training and Enhancement	UND		177,954	178,830
93.889	National Bioterrorism Hospital Preparedness Program	30100		884,078	697,235
93.913	Grants to States for Operation of State Offices of Rural Health	UND		171,741	174,227
93.917	HIV Care Formula Grants	30100		1,611,118	1,283,791
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	30100		398	1,466,090
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	20100		62,687	68,712
93.940	HIV Prevention Activities - Health Department Based	30100		752,973	705,035
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	30100		121,467	153,368
93.945	Assistance Programs for Chronic Disease Prevention and Control	30100		455,391	533,617

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	30100			7,199	
93.958	Block Grants for Community Mental Health Services	32500			667,067	1,194,772
93.959	Block Grants for Prevention and Treatment of Substance Abuse	32500			5,663,046	9,290,787
93.970	Health Professions Recruitment Program for Indians	UND			1,338,362	1,406,961
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	30100			239,048	239,879
93.991	Preventive Health and Health Services Block Grant	30100				75,665
93.994	Maternal and Child Health Services Block Grant to the States	30100			2,014,968	1,148,995
Nonmonetary Assistance:						
93.268	Immunization Cooperative Agreements	30100			\$ 7,048,385	\$ 7,807,304
93.600	Head Start	MASU			731,478	474,163
Pass Through Non-State Entity:						
93.008	Medical Reserve Corps Small Grant Program	30100	National Association of County and City Health Officials	MRC15-0501	\$	\$ 730
93.103	Food and Drug Administration - Research	30100	Association of Food and Drug Officials	G-MP-1402-04039	7,654	
93.103	Food and Drug Administration - Research	30100	Association of Food and Drug Officials	G-MP-1510-02989	15,260	
93.103	Food and Drug Administration - Research	30100	Institute of Food Technologist	N/A		61,155
93.110	Maternal and Child Health Federal Consolidated Programs	30100	Arkansas Children's Hospital Research Institute	034492	5,000	
93.110	Maternal and Child Health Federal Consolidated Programs	30100	Association of Public Health Laboratories	56300-600-160-16-14	97,611	
93.110	Maternal and Child Health Federal Consolidated Programs	30100	Association of Public Health Laboratories	56400-600-160-15-09	9,138	13,093
93.110	Maternal and Child Health Federal Consolidated Programs	NDSU	Prevent Child Abuse North Dakota	N/A	34,817	39,132
93.136	Injury Prevention and Control Research and State and Community Based Programs	UND	University of Arizona	157605		9,693
93.155	Rural Health Research Centers	UND	National Rural Health Association	1 UA9RH26027-01-00	3,169	15,578
93.155	Rural Health Research Centers	UND	National Rural Health Association	UA9RH26027	16,945	14,693
93.211	Telehealth Programs	UND	Avera Health	N/A	120,745	72,181
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	UND	Altru Health System	N/A	8,019	2,900
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	NDSU	City Of Fargo	N/A	10,869	2,860

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					2016	2015
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	MISU	First District Health Unit	N/A		10,746
93.262	Occupational Safety and Health Program	LRSC	Colorado State University	G-00452-2	221,448	57,656
93.262	Occupational Safety and Health Program	30100	University of Minnesota-Occupational Health	5U58DP003934-02		6,926
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	30100	National Association of County and City Health Officials	2011-121514	907	239
93.307	Minority Health and Health Disparities Research	UND	Sanford Research	SR-2014-09		3,291
93.524	Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations-financed in part by Prevention and Public Health Funds (PPHF)	30100	Association of State and Territorial Health Officials	83-12302 Req. 372 and 86-12322 Req. 419		132,737
93.524	Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations-financed in part by Prevention and Public Health Funds (PPHF)	30100	Association of State and Territorial Health Officials	83-12303-1104,997,657	24,062	
93.524	Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations-financed in part by Prevention and Public Health Funds (PPHF)	30100	Association of State and Territorial Health Officials	83-12303-372,520,683	18,237	
93.524	Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations-financed in part by Prevention and Public Health Funds (PPHF)	30100	Association of State and Territorial Health Officials	83-12303-971,714	107,096	
93.524	Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations-financed in part by Prevention and Public Health Funds (PPHF)	30100	Association of State and Territorial Health Officials	86-12323-940,611	10,542	
93.576	Refugee and Entrant Assistance - Discretionary Grants	20100	Lutheran Social Services ND	N/A		104,716
93.605	Family Connection Grants	UND	The Village Family Service Center	1-004		10,397
93.610	Health Care Innovation Awards (HCIA)	NDSU	Sanford Health	HSD 2013 001		(1,933)
93.648	Child Welfare Research Training or Demonstration	UND	Research Foundation of the State University of New York	1113708-11-66158		46,692
93.648	Child Welfare Research Training or Demonstration	UND	Research Foundation of the State University of New York	1120721-11-69467		80,185
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	1120721-11-69467	74,565	
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	1128024-11-72851	96,245	
93.718	ARRA - Health Information Technology Regional Extension Centers Program	UND	Stratis Health	90RC0021/01		5,478
93.865	Child Health and Human Development Extramural Research	UND	Sanford Research	SR-2016-02	192,560	

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					2016	2015
93.865	Child Health and Human Development Extramural Research	UND	University of South Dakota	SR-2014-14		27,802
93.865	Child Health and Human Development Extramural Research	UND	University of South Dakota	SR-2015-15		248,317
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	UND	Northwood Deaconess Health Center	NDHC2015-CRH	86,213	58,398
<i>Total for Unclustered</i>					<u>\$ 124,712,313</u>	<u>\$ 137,544,078</u>
<i>Unclustered</i>						
Direct Programs:						
93.XXX	Medicated Feeds	60200		HHSF223201310115C	\$	\$ 41,580
93.XXX	Medicated Feeds	60200		HHSF223201400105C		46,537
93.XXX	Medicated Feeds	60200		HHSF22320150088C	38,035	
93.XXX	MSQA Inspections	30100		HHSF223200840132C		23,486
93.XXX	MSQA Inspections	30100		HHSF223201210117C	58,090	
93.XXX	Tissue Residue	60200		HHSF223201310041I		4,539
93.XXX	Tissue Residue	60200		HHSF223201400026I	3,055	1,528
Nonmonetary Assistance:						
93.XXX	Division of Strategic National Stockpile	30100		N/A	\$ 68	\$ 61,025
Pass Through Non-State Entity:						
93.XXX	CIFOR Guidelines for Foodborne Disease Outbreak Response	30100	Council of State and Territorial Epidemiologists	N/A	\$ 1,327	\$
93.XXX	Dakota Conference on Rural and Public Health	UND	University of Illinois - Chicago	HHSN-276-2011-00005C		786
93.XXX	Librarian's Role in Active Learning Workshop	UND	University of Illinois - Chicago	N/A	1,492	
93.XXX	Northern Plains American Indian Behavioral Risk Factor Surveillance System	30100	Great Plains Tribal Chairmen's Health Board	U1B1IHS007-09-00		26
93.XXX	Recruitment/Retention of American Indians into Nursing (RAIN Next Steps)	UND	Cankdeska Cikana Community College	90FY0005/01	116,750	475,001
93.XXX	Town Hall Meeting	NDSU	ICF International	N/A		500
<i>Total for Unclustered</i>					<u>\$ 218,817</u>	<u>\$ 655,008</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			\$ 2,305,907	\$ 1,199,492

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				2016	2015
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	32500		3,042,109	2,584,301
93.053	Nutrition Services Incentive Program	32500		826,510	20,590
<i>Total for Aging Cluster</i>				<u>\$ 6,174,526</u>	<u>\$ 3,804,383</u>
<i>CCDF Cluster</i>					
Direct Programs:					
93.575	Child Care and Development Block Grant	32500		\$ 5,766,929	\$ 6,396,615
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	32500		7,252,326	5,626,775
<i>Total for CCDF Cluster</i>				<u>\$ 13,019,255</u>	<u>\$ 12,023,390</u>
<i>Medicaid Cluster</i>					
Direct Programs:					
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	32500		\$ 1,057,756	\$ 951,994
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	30100		1,742,008	1,700,506
93.778	Medical Assistance Program	32500		842,945,501	719,040,646
<i>Total for Medicaid Cluster</i>				<u>\$ 845,745,265</u>	<u>\$ 721,693,146</u>
<i>Research & Development Cluster</i>					
Direct Programs:					
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	NDSU		\$ 151,217	\$
93.103	Food and Drug Administration - Research	NDSU		21,014	20,823
93.113	Environmental Health	UND		279,734	261,166
93.121	Oral Diseases and Disorders Research	UND		576,211	430,022
93.155	Rural Health Research Centers	UND		730,090	796,792
93.173	Research Related to Deafness and Communication Disorders	UND		190,034	45,178
93.242	Mental Health Research Grants	NDSU		123,402	38,504
93.242	Mental Health Research Grants	UND		696,863	806,860
93.279	Drug Abuse and Addiction Research Programs	NDSU		95,757	145,373
93.279	Drug Abuse and Addiction Research Programs	UND		1,145	243,684
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	NDSU		66,685	

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					2016	2015
93.393	Cancer Cause and Prevention Research	NDSU			209	72,888
93.394	Cancer Detection and Diagnosis Research	NDSU				9
93.395	Cancer Treatment Research	NDSU			374,736	43,835
93.396	Cancer Biology Research	NDSU			35,859	
93.837	Cardiovascular Diseases Research	UND			133,009	168,152
93.837	Cardiovascular Diseases Research	NDSU			113,253	47,164
93.838	Lung Diseases Research	NDSU			103,635	135,249
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	NDSU				129,694
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	NDSU			54,205	29,198
93.855	Allergy and Infectious Diseases Research	UND			713,769	1,025,641
93.855	Allergy and Infectious Diseases Research	NDSU			88,588	357,916
93.859	Biomedical Research and Research Training	NDSU			2,632,814	2,787,020
93.859	Biomedical Research and Research Training	UND			6,827,255	6,755,961
93.865	Child Health and Human Development Extramural Research	NDSU			234,947	131,467
93.866	Aging Research	NDSU			1,774	7,679
93.866	Aging Research	UND			840,967	582,756
93.867	Vision Research	NDSU			143,659	36,468
Pass Through Non-State Entity:						
93.070	Environmental Public Health and Emergency Response	UND	Montana Department of Public Health and Human Services	08-07-3-01-058-0	\$	\$ 21,578
93.110	Maternal and Child Health Federal Consolidated Programs	NDSU	Arkansas Children's Hospital Research Institute	N/A		(1,382)
93.242	Mental Health Research Grants	NDSU	Neuropsychiatric Research Institute	N/A	13,184	2,652
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	NDSU	Ransom County Public Health	N/A	33,498	7,166
93.262	Occupational Safety and Health Program	UND	University of Minnesota	P002283013	173	19,270
93.273	Alcohol Research Programs	NDSU	Neuropsychiatric Research Institute	51-2028-5031-0	102,745	96,971
93.273	Alcohol Research Programs	UND	Public Health Institute	PA-11-308	24,743	
93.279	Drug Abuse and Addiction Research Programs	UND	University of Florida	UFDSP00010114		3,253
93.279	Drug Abuse and Addiction Research Programs	UND	University of Florida	UFDSP00010827	9,868	

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					2016	2015
93.279	Drug Abuse and Addiction Research Programs	UND	University of Michigan	3002276452		23,235
93.279	Drug Abuse and Addiction Research Programs	UND	Vanderbilt University	VUMC 43035	7,121	11,727
93.279	Drug Abuse and Addiction Research Programs	UND	Vanderbilt University	VUMC 43521	9,219	9,941
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	NDSU	Prevent Child Abuse North Dakota	N/A	155,953	189,125
93.592	Family Violence Prevention and Services/Discretionary	UND	Texas Muslim Women's Foundation	002	16,024	24,210
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	UND	Trinity College	1R01NS065957-04		15,846
93.855	Allergy and Infectious Diseases Research	NDSU	Washington University	WU-15-299 / 2923004Y	19,622	21,993
93.859	Biomedical Research and Research Training	NDSU	Montana State University	G179-16-W5698	96,092	
93.933	Demonstration Projects for Indian Health	UND	Cankdeska Cikana Community College	UND NARCH 2015	52,374	
93.933	Demonstration Projects for Indian Health	UND	Cankdeska Cikana Community College	UND-2016	56,190	
93.933	Demonstration Projects for Indian Health	NDSU	Great Plains Tribal Chairmen's Health Board	U261IHS0045		915
93.945	Assistance Programs for Chronic Disease Prevention and Control	UND	Montana Department of Public Health and Human Services	14096760050	96,947	62,954
<i>Total for Research & Development Cluster</i>					<u>\$ 15,924,584</u>	<u>\$ 15,608,953</u>
<i>Student Financial Assistance Cluster</i>						
Direct Programs:						
93.264	Nurse Faculty Loan Program (NFLP)	UND			\$ 151,140	\$ 158,872
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	UND			451,010	574,832
93.364	Nursing Student Loans	NDSU			307,836	313,406
93.364	Nursing Student Loans	MISU			997,866	993,511
93.364	Nursing Student Loans	DSU			217,132	220,202
93.364	Nursing Student Loans	UND			1,742,841	1,861,010
<i>Total for Student Financial Assistance Cluster</i>					<u>\$ 3,867,825</u>	<u>\$ 4,121,833</u>
<i>TANF Cluster</i>						
Direct Programs:						
93.558	Temporary Assistance for Needy Families	32500			\$ 31,770,416	\$ 29,801,022
<i>Total for TANF Cluster</i>					<u>\$ 31,770,416</u>	<u>\$ 29,801,022</u>
Total For Department Of Health And Human Services					<u>\$ 1,041,433,001</u>	<u>\$ 925,251,813</u>

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					2016	2015
Department Of Homeland Security						
Unclustered						
Direct Programs:						
97.012	Boating Safety Financial Assistance	72000			\$ 721,616	\$ 664,780
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	77000			105,645	120,224
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	54000			7,282,048	19,945,026
97.039	Hazard Mitigation Grant	54000			11,835,095	17,972,108
97.041	National Dam Safety Program	77000			152,656	113,806
97.042	Emergency Management Performance Grants	54000			3,170,809	3,207,550
97.045	Cooperating Technical Partners	77000			508,607	419,933
97.047	Pre-Disaster Mitigation	54000			635	
97.052	Emergency Operations Center	54000			87,490	901,010
97.067	Homeland Security Grant Program	54000			4,021,327	4,745,367
Total for Unclustered					\$ 27,885,928	\$ 48,089,804
Research & Development Cluster						
Pass Through Non-State Entity:						
97.061	Centers for Homeland Security	NDSU	University of Minnesota	P001955405 / 2010-ST	\$	\$ 4,760
Total for Research & Development Cluster					\$	\$ 4,760
Total For Department Of Homeland Security					\$ 27,885,928	\$ 48,094,564
Department Of Housing And Urban Development						
Unclustered						
Direct Programs:						
14.171	Manufactured Home Dispute Resolution	60100			\$ 932	\$ 1,336
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	60100			7,900,600	10,094,615
14.231	Emergency Solutions Grant Program	60100			445,841	416,928
14.238	Shelter Plus Care	60100			273,000	264,168
14.239	HOME Investment Partnerships Program	60100			1,714,221	1,449,626
14.251	Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	DSU			24,956	6,275

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				2016	2015
14.401	Fair Housing Assistance Program - State and Local	40600		172,300	70,000
<i>Total for Unclustered</i>				<u>\$ 10,531,850</u>	<u>\$ 12,302,948</u>
<i>CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster</i>					
Direct Programs:					
14.269	Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	60100		\$ 652,026	\$ 4,760,291
<i>Total for CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster</i>				<u>\$ 652,026</u>	<u>\$ 4,760,291</u>
Total For Department Of Housing And Urban Development				<u>\$ 11,183,876</u>	<u>\$ 17,063,239</u>
Department Of Justice					
<i>Unclustered</i>					
Direct Programs:					
16.017	Sexual Assault Services Formula Program	30100		\$ 283,809	\$ 243,807
16.203	Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program	12500		36,889	17,995
16.320	Services for Trafficking Victims	12500		50,219	
16.523	Juvenile Accountability Block Grants	53000		17,473	10,904
16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	MISU		20,966	67,970
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	53000		399,144	405,018
16.543	Missing Children's Assistance	12500		209,949	223,739
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	UND		11,009	223,557
16.575	Crime Victim Assistance	53000		348,218	242,259
16.576	Crime Victim Compensation	53000		1,967,669	1,648,896
16.582	Crime Victim Assistance/Discretionary Grants	53000		4,991	4,826
16.588	Violence Against Women Formula Grants	30100		897,879	770,420
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	UND		62,571	
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	30100			15,573
16.606	State Criminal Alien Assistance Program	53000		14,324	10,809

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					2016	2015
16.616	Indian Country Alcohol and Drug Prevention	UND			702,857	200,803
16.710	Public Safety Partnership and Community Policing Grants	UND			29,775	42,820
16.710	Public Safety Partnership and Community Policing Grants	12500			12,698	71,247
16.727	Enforcing Underage Drinking Laws Program	32500				126,159
16.735	PREA Program: Demonstration Projects to Establish 'Zero Tolerance' Cultures for Sexual Assault in Correctional Facilities	12500			15,120	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	12500			558,781	862,753
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	11200				20,070
16.741	DNA Backlog Reduction Program	12500			240,660	201,509
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	12500			39,218	121,125
16.750	Support for Adam Walsh Act Implementation Grant Program	12500			14,191	
16.751	Edward Byrne Memorial Competitive Grant Program	12500			18,888	18,360
16.813	NICS Act Record Improvement Program	12500			85,590	42,418
Pass Through Non-State Entity:						
16.544	Youth Gang Prevention	UND	Center for Court Innovation	N/A	\$ 4,332	\$ 8,600
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	UND	Fox Valley Technical College	D2014013051	20,454	
16.608	Tribal Court Assistance Program	UND	Fox Valley Technical College	D02013014	5,781	30,799
16.608	Tribal Court Assistance Program	UND	The National Judicial College	NJC 2011-IC-BX-K036	125,922	406,286
16.616	Indian Country Alcohol and Drug Prevention	UND	Fox Valley Technical College	D2013020034	3,933	52,915
16.726	Juvenile Mentoring Program	NDSU	National 4-H Council	2014-JU-FX-0025	104,532	57,383
16.726	Juvenile Mentoring Program	NDSU	National 4-H Council	2015-JU-FX-0015	86,165	
16.726	Juvenile Mentoring Program	NDSU	National 4-H Council	N/A		90,371
16.738	Edward Byrne Memorial Justice Assistance Grant Program	UND	Fox Valley Technical College	D201601002	8,335	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	11200	SEARCH Group, Inc	1314-008 330125		18,820
16.751	Edward Byrne Memorial Competitive Grant Program	12500	The National Consortium for Justice Information and Statistics, Sacramento, CA	1314-008-330125-3073	18,144	
16.815	Tribal Civil and Criminal Legal Assistance Grants, Training and Technical Assistance	UND	American Probation and Parole Association	13-SA-085-1978	25,064	16,400
<i>Total for Unclustered</i>					<u>\$ 6,445,550</u>	<u>\$ 6,274,611</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Unclustered						
Direct Programs:						
16.XXX	Federal Bureau of Prisons (Juvenile Inmate Housing)	53000		IGA-815-11	\$ 174,683	\$ 307,414
Total for Unclustered					\$ 174,683	\$ 307,414
Research & Development Cluster						
Direct Programs:						
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	UND			\$ 147,866	\$ 159,500
Pass Through Non-State Entity:						
16.013	Violence Against Women Act Court Training and Improvement Grants	NDSU	State of Minnesota Seventh Judicial District	2010-WC-AX-K014	\$	\$ 1,293
16.XXX	Best Practices in Policing	NDSU	Hillard Heintze	N/A	16,875	
Total for Research & Development Cluster					\$ 164,741	\$ 160,793
Total For Department Of Justice					\$ 6,784,974	\$ 6,742,818
Department Of Labor						
Unclustered						
Direct Programs:						
17.235	Senior Community Service Employment Program	32500			\$ 643,165	\$ 440,422
17.267	Incentive Grants - WIA Section 503	20100			753,964	
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	BSC			5,872,943	5,654,250
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	NDSCS			478,925	1,331,700
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	LRSC			682,935	1,072,454
17.504	Consultation Agreements	BSC			426,780	419,569
17.600	Mine Health and Safety Grants	27000			90,525	59,190
Total for Unclustered					\$ 8,949,237	\$ 8,977,585
Total For Department Of Labor					\$ 8,949,237	\$ 8,977,585

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Department Of State						
Unclustered						
Direct Programs:						
19.040	Public Diplomacy Programs	UND			\$ 31,922	\$ 42,515
Pass Through Non-State Entity:						
19.402	Professional and Cultural Exchange Programs - International Visitor Leadership Program	MISU	Global Ties U.S.	S-ECAGD-14-CA-1006	\$	\$ 860
19.402	Professional and Cultural Exchange Programs - International Visitor Leadership Program	MISU	Global Ties U.S.	S-ECAGD-15-CA-1008	1,870	1,632
Total for Unclustered					\$ 33,792	\$ 45,007
Total For Department Of State					\$ 33,792	\$ 45,007
Department Of The Interior						
Unclustered						
Direct Programs:						
15.130	Indian Education - Assistance to Schools	NDSU			\$ 1,859	\$
15.224	Cultural and Paleontological Resources Management	MISU			14,189	592
15.224	Cultural and Paleontological Resources Management	70100			460	
15.227	Distribution of Receipts to State and Local Governments	12000			8,610	4,648
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	40800			902,130	706,425
15.252	Abandoned Mine Land Reclamation (AMLR)	40800			3,204,340	3,521,406
15.427	Federal Oil and Gas Royalty Management State and Tribal Coordination	11700			561,249	640,336
15.433	Flood Control Act Lands	12000			4,727,571	13,071,981
15.436	Late Disbursement Interest	12000			1,409	388
15.437	Minerals Leasing Act	12000			28,766,559	48,106,564
15.511	Cultural Resources Management	70100			33,971	
15.518	Garrison Diversion Unit	72000			778,745	775,888
15.608	Fish and Wildlife Management Assistance	72000			39,093	27,995
15.615	Cooperative Endangered Species Conservation Fund	75000			16,000	2,399
15.615	Cooperative Endangered Species Conservation Fund	72000			20,473	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
15.626	Enhanced Hunter Education and Safety	72000			99,208	61,879
15.634	State Wildlife Grants	72000			454,182	583,468
15.637	Migratory Bird Joint Ventures	72000			5,137	20,619
15.664	Fish and Wildlife Coordination and Assistance	72000			27,095	106,392
15.808	U.S. Geological Survey - Research and Data Collection	77000			26,000	
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	40500			10,000	7,350
15.904	Historic Preservation Fund Grants-In-Aid	70100			680,983	682,146
15.916	Outdoor Recreation - Acquisition, Development and Planning	75000			322,370	71,321
Pass Through Non-State Entity:						
15.518	Garrison Diversion Unit	77000	Garrison Diversion Conservancy	6-FC-60-00210	\$ 2,074,015	\$ 69,564
15.815	National Land Remote Sensing - Education Outreach and Research	UND	AmericaView	AV13-ND01		6,254
15.815	National Land Remote Sensing - Education Outreach and Research	UND	AmericaView	AV13-ND01, Mod 2	6,729	18,171
15.815	National Land Remote Sensing - Education Outreach and Research	UND	AmericaView	AV13-ND01, Mod 4	23,424	
<i>Total for Unclustered</i>					<u>\$ 42,805,801</u>	<u>\$ 68,485,786</u>
<i>Fish and Wildlife Cluster</i>						
Direct Programs:						
15.605	Sport Fish Restoration	72000			\$ 3,936,326	\$ 3,748,120
15.611	Wildlife Restoration and Basic Hunter Education	72000			6,669,025	6,774,117
<i>Total for Fish and Wildlife Cluster</i>					<u>\$ 10,605,351</u>	<u>\$ 10,522,237</u>
<i>Research & Development Cluster</i>						
Direct Programs:						
15.608	Fish and Wildlife Management Assistance	NDSU			\$ 14,651	\$
15.642	Challenge Cost Share	UND				5,696
15.650	Research Grants (Generic)	NDSU			21,122	45,238
15.657	Endangered Species Conservation – Recovery Implementation Funds	NDSU				6,914
15.669	Cooperative Landscape Conservation	NDSU			63,109	95,617
15.805	Assistance to State Water Resources Research Institutes	NDSU			59,868	98,147

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
15.808	U.S. Geological Survey - Research and Data Collection	UND			79,955	94,716
15.808	U.S. Geological Survey - Research and Data Collection	NDSU			52,494	128,335
15.923	National Center for Preservation Technology and Training	NDSU			18,788	
15.926	American Battlefield Protection	NDSU			33,857	17,017
15.945	Cooperative Research and Training Programs – Resources of the National Park System	UND			18,164	
Pass Through Non-State Entity:						
15.608	Fish and Wildlife Management Assistance	UND	Red Lake Watershed District	N/A	\$	\$ 1,351
15.615	Cooperative Endangered Species Conservation Fund	NDSU	Minnesota Department Of Natural Resources	3000046556		68
15.634	State Wildlife Grants	NDSU	Nevada Department of Wildlife	N/A	144	26,254
15.808	U.S. Geological Survey - Research and Data Collection	UND	AmericaView	N/A	2,111	4,537
15.939	National Heritage Area Federal Financial Assistance	NDSU	Northern Plains Heritage Foundation	N/A	7,951	
<i>Total for Research & Development Cluster</i>					<u>\$ 372,214</u>	<u>\$ 523,890</u>
Total For Department Of The Interior					<u>\$ 53,783,366</u>	<u>\$ 79,531,913</u>
Department Of Transportation						
<i>Unclustered</i>						
Direct Programs:						
20.106	Airport Improvement Program	41200			\$ 807,230	\$ 395,600
20.200	Highway Research and Development Program	NDSU			12,758	14,599
20.200	Highway Research and Development Program	80100			68,212	
20.215	Highway Training and Education	80100			323,387	
20.215	Highway Training and Education	NDSU			7,917	
20.218	Motor Carrier Safety Assistance	50400			1,860,231	1,732,828
20.231	Performance and Registration Information Systems Management	50400				2,160
20.233	Border Enforcement Grants	50400			246,374	245,023
20.234	Safety Data Improvement Program	80100				7,140
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort	12700			15,580	9,316
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	80100			763,469	1,214,073
20.509	Formula Grants for Rural Areas	80100			4,940,067	4,796,431

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
20.514	Public Transportation Research, Technical Assistance, and Training	80100			20,797	
20.700	Pipeline Safety Program State Base Grant	40800			491,925	43,635
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	54000			152,968	197,515
Pass Through Non-State Entity:						
20.200	Highway Research and Development Program	NDSU	Montana State University	G-166-15-W5124	\$ 86,888	\$ 43,128
20.701	University Transportation Centers Program	NDSU	Rutgers, The State University of New Jersey	NJ-26-7067-06		(1,605)
20.701	University Transportation Centers Program	NDSU	Rutgers, The State University of New Jersey	NJ-26-7070-00	89,911	118,995
<i>Total for Unclustered</i>					<u>\$ 9,887,714</u>	<u>\$ 8,818,838</u>
<i>Unclustered</i>						
Direct Programs:						
20.XXX	Accelerated Safety Activity Program	80100		DTNH22-15-RQ-00141	\$ 14,348	\$ 17,559
<i>Total for Unclustered</i>					<u>\$ 14,348</u>	<u>\$ 17,559</u>
<i>Federal Transit Cluster</i>						
Direct Programs:						
20.500	Federal Transit - Capital Investment Grants	80100			\$ 658,205	\$ 246,177
20.526	Bus and Bus Facilities Formula Program	80100			1,680,437	404,537
<i>Total for Federal Transit Cluster</i>					<u>\$ 2,338,642</u>	<u>\$ 650,714</u>
<i>Highway Planning and Construction Cluster</i>						
Direct Programs:						
20.205	Highway Planning and Construction	80100			\$ 230,003,500	\$ 275,994,437
20.219	Recreational Trails Program	80100			3,742	148,932
20.219	Recreational Trails Program	75000			1,197,835	626,694
Pass Through Non-State Entity:						
20.205	Highway Planning and Construction	NDSU	Bismarck-Mandan Metropolitan Planning Organization	38151860 Bis-Man	\$ 4,251	\$
20.205	Highway Planning and Construction	NDSU	Fargo-Moorhead Metropolitan Council of Governments	38151860- FM COG	5,713	
20.205	Highway Planning and Construction	NDSU	Grand Forks-East Grand Forks Metropolitan Planning Organization	38151860	21,165	
<i>Total for Highway Planning and Construction Cluster</i>					<u>\$ 231,236,206</u>	<u>\$ 276,770,063</u>

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					2016	2015
Highway Safety Cluster						
Direct Programs:						
20.600	State and Community Highway Safety	80100			\$ 1,669,016	\$ 1,401,699
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	80100			187,506	994,708
20.616	National Priority Safety Programs	80100			2,334,959	1,765,018
Total for Highway Safety Cluster					\$ 4,191,481	\$ 4,161,425
Research & Development Cluster						
Direct Programs:						
20.108	Aviation Research Grants	UND			\$ 192	\$ 85,466
20.701	University Transportation Centers Program	NDSU			2,325,403	2,876,052
20.724	Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	NDSU			75,163	45,250
20.724	Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	UND			16,154	
20.762	Research Grants	NDSU			133,953	194,053
20.XXX	A7-UAS Human Factors Considerations	UND		15-C-UAS-UND-03	19,206	
20.XXX	Small UAS Detect and Avoid Requirements Necessary for Limited Beyond Visual Line of Sight (BVLOS) Operations	UND		15-C-UAS-UND-01	217,418	
20.XXX	Surveillance Criticality for SAA	UND		15-C-UAS-UND-2	31,263	
Pass Through Non-State Entity:						
20.109	Air Transportation Centers of Excellence	UND	Georgia Institute of Technology	RE053-G1	\$	\$ 17,356
20.109	Air Transportation Centers of Excellence	UND	Purdue University	4108-60202		60,313
20.205	Highway Planning and Construction	NDSU	Cambridge Systematics	150027	21,087	22,139
20.600	State and Community Highway Safety	NDSU	South Dakota Department of Public Safety	N/A	17,530	23,623
20.701	University Transportation Centers Program	NDSU	Bismarck-Mandan Metropolitan Planning Organization	N/A	229	11,960
20.701	University Transportation Centers Program	NDSU	Fargo-Moorhead Metropolitan Council of Governments	N/A	168	23,859
20.701	University Transportation Centers Program	NDSU	Grand Forks-East Grand Forks Metropolitan Planning Organization	N/A	17,273	26,992
20.701	University Transportation Centers Program	NDSU	Missouri University of Science and Technology	00041896-01		(31)
20.701	University Transportation Centers Program	NDSU	Montana State University	G136-14-W4660	203,127	187,494

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
20.701	University Transportation Centers Program	NDSU	University of South Florida	2117-9050-02-A	32,284	131,246
20.701	University Transportation Centers Program	NDSU	University of South Florida	2117-9060-02-A	417,555	168,450
20.761	Biobased Transportation Research	NDSU	South Dakota State University	3TN249	100,239	27,606
20.XXX	Assessment of CDL Holders, Traffic Violations, Convictio	NDSU	TransAnalytics, LLC.	DTMC75-14-D-00009	22,644	5,731
20.XXX	Continuity of Operations Planning (COOP) for Small Air	NDSU	The National Academies	SUB0000670	40,000	
20.XXX	FMCSA National Applications and Technology Solutions	NDSU	Leidos, Inc.	P010173608	464,173	
20.XXX	Hosting a New Present Weather Sensor	UND	University Corporation for Atmospheric Research	S16-20877	1,985	
20.XXX	Identify Safe Integrations of Complex Digital Systems	UND	Honeywell International Inc.	SUB122015	3,412	
20.XXX	National General Aviation Flight Information Database	UND	MITRE Corporation	105698		28,485
20.XXX	National General Aviation Flight Information Database	UND	MITRE Corporation	105698	121,275	
20.XXX	Smart Roadside Initiative	NDSU	Leidos, Inc.	P010062514 T-11-001		27,600
20.XXX	Support On-Site for Information Technology	NDSU	Stinger Ghaffarian Technologies	SC16-00017	39,390	
20.XXX	VTRIPS	NDSU	Stinger Ghaffarian Technologies	11-45	195,063	1,479,440
<i>Total for Research & Development Cluster</i>					<u>\$ 4,516,186</u>	<u>\$ 5,443,084</u>
<i>Transit Services Programs Cluster</i>						
Direct Programs:						
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	80100			\$ 370,003	\$ 736,690
20.516	Job Access And Reverse Commute Program	80100			265,730	203,649
20.521	New Freedom Program	80100			82,134	160,306
<i>Total for Transit Services Programs Cluster</i>					<u>\$ 717,867</u>	<u>\$ 1,100,645</u>
Total For Department Of Transportation					<u>\$ 252,902,444</u>	<u>\$ 296,962,328</u>
Department Of Veterans Affairs						
<i>Unclustered</i>						
Direct Programs:						
64.014	Veterans State Domiciliary Care	31300			\$ 1,262,688	\$ 1,226,477
64.015	Veterans State Nursing Home Care	31300			1,373,870	1,343,885
64.035	Veterans Transportation Program	32100			118,125	315,000
64.124	All-Volunteer Force Educational Assistance	NDUS			127,139	120,054
<i>Total for Unclustered</i>					<u>\$ 2,881,822</u>	<u>\$ 3,005,416</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Unclustered						
Direct Programs:						
64.XXX	14-41 Care Integration Optimization Phase II	NDSU		VA263-BO-0160	\$	\$ 28,898
64.XXX	Mass Customization of Patient Care Hypertension Pilot	NDSU		VA263-BO-0160		35,466 29,409
64.XXX	MidWest Mountain Veterans Engineering Resource Center	NDSU		VA263-BO-0160		16,693
64.XXX	State Approving Agency	31200		V101 (223C) P-5745		170,616
64.XXX	Veterans Administration - Residents Rotations	UND		N/A		415,024 403,930
64.XXX	Veterans Affairs Processing Fee	NDSU		VA01241994		2,134
Total for Unclustered					\$	623,240 \$ 478,930
Research & Development Cluster						
Direct Programs:						
64.XXX	MidWest Mountain Veterans Engineering Resource Center	NDSU		VA263-BO-0160	\$	\$ 62,951
Total for Research & Development Cluster					\$	62,951
Total For Department Of Veterans Affairs					\$	3,505,062 \$ 3,547,297
Environmental Protection Agency						
Unclustered						
Direct Programs:						
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	30100			\$	154,163 \$ 158,393
66.040	State Clean Diesel Grant Program	30100				76,029 100,152
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	30100				399,509 220,119
66.435	Water Pollution Control - Lake Restoration Cooperative Agreements	40500				113,000 105,000
66.454	Water Quality Management Planning	30100				101,653 105,171
66.460	Nonpoint Source Implementation Grants	30100				3,905,049 3,957,601
66.461	Regional Wetland Program Development Grants	30100				66,791 86,599
66.605	Performance Partnership Grants	30100				4,472,255 4,160,154
66.605	Performance Partnership Grants	60200				169,662
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	30100				132,826 109,587

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				2016	2015
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	60200		434,196	139,891
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	NDSU		46,298	
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	UND		2,596	9,650
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	NDSU		11,001	80,230
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	30100		310,677	278,546
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	30100		455,509	688,873
66.817	State and Tribal Response Program Grants	30100		68,399	85,567
<i>Total for Unclustered</i>				<u>\$ 10,749,951</u>	<u>\$ 10,455,195</u>
<i>Clean Water State Revolving Fund Cluster</i>					
Direct Programs:					
66.458	Capitalization Grants for Clean Water State Revolving Funds	30100		\$ 406,126	\$ 384,314
<i>Total for Clean Water State Revolving Fund Cluster</i>				<u>\$ 406,126</u>	<u>\$ 384,314</u>
<i>Drinking Water State Revolving Fund Cluster</i>					
Direct Programs:					
66.468	Capitalization Grants for Drinking Water State Revolving Funds	30100		\$ 1,221,261	\$ 1,081,563
<i>Total for Drinking Water State Revolving Fund Cluster</i>				<u>\$ 1,221,261</u>	<u>\$ 1,081,563</u>
<i>Research & Development Cluster</i>					
Direct Programs:					
66.509	Science To Achieve Results (STAR) Research Program	UND		\$	\$ 3,880
<i>Total for Research & Development Cluster</i>				<u>\$</u>	<u>\$ 3,880</u>
Total For Environmental Protection Agency				<u>\$ 12,377,338</u>	<u>\$ 11,924,952</u>
Equal Employment Opportunity Commission					
<i>Unclustered</i>					
Direct Programs:					
30.002	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	40600		\$ 107,750	\$ 106,700
<i>Total for Unclustered</i>				<u>\$ 107,750</u>	<u>\$ 106,700</u>
Total For Equal Employment Opportunity Commission				<u>\$ 107,750</u>	<u>\$ 106,700</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Executive Office of the President						
<i>Unclustered</i>						
Direct Programs:						
95.001	High Intensity Drug Trafficking Areas Program	12500			\$ 640,720	\$ 606,918
<i>Total for Unclustered</i>					<u>\$ 640,720</u>	<u>\$ 606,918</u>
Total For Executive Office of the President					<u>\$ 640,720</u>	<u>\$ 606,918</u>
General Services Administration						
<i>Unclustered</i>						
Nonmonetary Assistance:						
39.003	Donation of Federal Surplus Personal Property	11000			\$ 3,394,007	\$ 4,907,482
<i>Total for Unclustered</i>					<u>\$ 3,394,007</u>	<u>\$ 4,907,482</u>
<i>Research & Development Cluster</i>						
Direct Programs:						
39.003	Donation of Federal Surplus Personal Property	UND			\$	\$ 48,551
Nonmonetary Assistance:						
39.003	Donation of Federal Surplus Personal Property	UND			\$ 48,551	\$
<i>Total for Research & Development Cluster</i>					<u>\$ 48,551</u>	<u>\$ 48,551</u>
Total For General Services Administration					<u>\$ 3,442,558</u>	<u>\$ 4,956,033</u>
Institute of Museum and Library Services						
<i>Unclustered</i>						
Direct Programs:						
45.310	Grants to States	25000			\$ 1,007,905	\$ 942,372
45.312	National Leadership Grants	MASU			10,853	
45.313	Laura Bush 21st Century Librarian Program	VCSU			36,318	68,429
<i>Total for Unclustered</i>					<u>\$ 1,055,076</u>	<u>\$ 1,010,801</u>
Total For Institute of Museum and Library Services					<u>\$ 1,055,076</u>	<u>\$ 1,010,801</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
National Aeronautics and Space Administration						
Unclustered						
Direct Programs:						
43.008	Education	UND			\$ 361,842	\$ 57,500
43.012	Space Technology	60100			197,950	
Total for Unclustered					\$ 559,792	\$ 57,500
Unclustered						
Direct Programs:						
43.XXX	North Dakota NASA Space Grant Consortium FY 2010-2014	UND		NNX10AL99H	\$ 28,280	\$ 518,711
Total for Unclustered					\$ 28,280	\$ 518,711
Research & Development Cluster						
Direct Programs:						
43.001	Science	UND			\$ 1,823,429	\$ 726,735
43.008	Education	UND			280,827	321,684
43.XXX	Research Opportunities in Space and Earth Sciences	UND		NNX10AR22G		12,208
43.XXX	Validation of CERES-Derived Satellite Cloud Properties Using the ARM Data Collected at China and Azores	UND		NNX11AM15A	33,983	251,475
Pass Through Non-State Entity:						
43.001	Science	UND	Planetary Science Institute	1345	\$ 12,377	\$ 3,131
43.001	Science	UND	University Corporation for Atmospheric Research	Z13-89987	39,096	43,708
43.001	Science	NDSU	University of New Hampshire	15-024	16,234	15,784
43.XXX	Atmospheric Model Simulations and Development in Support of PRCI	UND	Jet Propulsion Laboratory	1509493		23,795
43.XXX	Atmospheric Model Simulations and Development in Support of PRCI Phase II	UND	California Institute of Technology	1525880	19,555	
43.XXX	Atmospheric Model Simulations and Development in Support of PRCI Phase II	UND	Jet Propulsion Laboratory	1525880		13,805
43.XXX	Climate Change Communication: Engineering, Environmental Science, and Education(C3E3)	UND	University of Texas at San Antonio	26-1200-75 UND		16,571
43.XXX	Science Mission Operations by NSERC and Related Educational Activities	UND	Bay Area Environmental Research Institute	NNX12ADO5A-UND1	2,757,567	2,766,880
43.XXX	Transport Estimates Using MACPEX Observations	UND	Jet Propulsion Laboratory	1510028		20,432
Total for Research & Development Cluster					\$ 4,983,068	\$ 4,216,208

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Total For National Aeronautics and Space Administration					\$ 5,571,140	\$ 4,792,419
National Archives And Records Administration						
Unclustered						
Direct Programs:						
89.003	National Historical Publications and Records Grants	70100			\$ 3,254	\$ 13,957
Total for Unclustered					\$ 3,254	\$ 13,957
Total For National Archives And Records Administration					\$ 3,254	\$ 13,957
National Endowment for the Arts						
Unclustered						
Direct Programs:						
45.024	Promotion of the Arts - Grants to Organizations and Individuals	UND			\$	\$ 15,000
45.025	Promotion of the Arts - Partnership Agreements	70900			698,000	687,700
45.025	Promotion of the Arts - Partnership Agreements	DSU			10,150	9,000
Pass Through Non-State Entity:						
45.025	Promotion of the Arts - Partnership Agreements	BSC	North Dakota Council on the Arts	7217	\$	\$ 950
Total for Unclustered					\$ 708,150	\$ 712,650
Research & Development Cluster						
Direct Programs:						
45.024	Promotion of the Arts - Grants to Organizations and Individuals	UND			\$ 381	\$ 9,460
Total for Research & Development Cluster					\$ 381	\$ 9,460
Total For National Endowment for the Arts					\$ 708,531	\$ 722,110
National Endowment for the Humanities						
Unclustered						
Direct Programs:						
45.149	Promotion of the Humanities - Division of Preservation and Access	MISU			\$ 6,860	\$
45.149	Promotion of the Humanities - Division of Preservation and Access	70100			134,551	145,892
45.163	Promotion of the Humanities - Professional Development	NDSU			11,332	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
45.164	Promotion of the Humanities - Public Programs	NDSU			67,039	
45.164	Promotion of the Humanities - Public Programs	70100				1,200
45.168	Promotion of the Humanities - We the People	DSU				912
Pass Through Non-State Entity:						
45.129	Promotion of the Humanities - Federal/State Partnership	BSC	North Dakota Humanities Council	14306	\$	\$ 2,900
45.129	Promotion of the Humanities - Federal/State Partnership	MISU	North Dakota Humanities Council	14309		3,000
45.129	Promotion of the Humanities - Federal/State Partnership	MISU	North Dakota Humanities Council	14310	3,000	
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	14311		2,954
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	14504	5,876	1,487
45.129	Promotion of the Humanities - Federal/State Partnership	UND	North Dakota Humanities Council	14511		10,000
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	15111	475	
45.129	Promotion of the Humanities - Federal/State Partnership	UND	North Dakota Humanities Council	15113	350	
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	15308	2,141	
45.129	Promotion of the Humanities - Federal/State Partnership	UND	North Dakota Humanities Council	15512	10,000	
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	16103	1,432	
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	16304	890	
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	16505	867	
<i>Total for Unclustered</i>					<u>\$ 244,813</u>	<u>\$ 168,345</u>
<i>Research & Development Cluster</i>						
Pass Through Non-State Entity:						
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	13506	\$	\$ 1,045
45.129	Promotion of the Humanities - Federal/State Partnership	NDSU	North Dakota Humanities Council	13513		5,863
45.129	Promotion of the Humanities - Federal/State Partnership	UND	North Dakota Humanities Council	14513	9,061	
45.161	Promotion of the Humanities - Research	NDSU	University of Iowa	1001385856		3,680
45.161	Promotion of the Humanities - Research	NDSU	University of Iowa	PO 1001385856	18,265	
<i>Total for Research & Development Cluster</i>					<u>\$ 27,326</u>	<u>\$ 10,588</u>
Total For National Endowment for the Humanities					<u>\$ 272,139</u>	<u>\$ 178,933</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
National Science Foundation						
Unclustered						
Direct Programs:						
47.049	Mathematical and Physical Sciences	NDSU			\$ 30,078	\$
47.076	Education and Human Resources	NDSU			467,256	
47.076	Education and Human Resources	NDSCS			92,521	281,208
47.076	Education and Human Resources	BSC				55,559
47.078	Polar Programs	UND				4,475
Pass Through Non-State Entity:						
47.049	Mathematical and Physical Sciences	MISU	Mathematical Association of America	DMS-0846477	\$	\$ 1,842
47.076	Education and Human Resources	NDSU	Fort Berthold Community College	N/A	13,666	
47.076	Education and Human Resources	NDSCS	Lorraine County Community College	NSF-1104107		1,525
47.076	Education and Human Resources	NDSU	National Center for Science and Civic Engagement	11224488	400	
47.076	Education and Human Resources	NDSU	Salish Kootenai College	NA	3,674	
47.076	Education and Human Resources	NDSCS	Southwest Center for Microsystems National Science Foundation Banner Grant	2U750	9,701	3,875
Total for Unclustered					\$ 617,296	\$ 348,484
Research & Development Cluster						
Direct Programs:						
47.041	Engineering Grants	UND			\$ 170,248	\$ 54,132
47.041	Engineering Grants	NDSU			275,145	495,533
47.049	Mathematical and Physical Sciences	NDSU			642,708	724,189
47.049	Mathematical and Physical Sciences	UND			271,124	253,582
47.050	Geosciences	NDSU			100,789	65,662
47.050	Geosciences	UND			93,487	41,572
47.070	Computer and Information Science and Engineering	UND			292,163	188,761
47.070	Computer and Information Science and Engineering	NDSU			479,985	411,168
47.074	Biological Sciences	NDSU			965,578	852,736
47.074	Biological Sciences	UND			399,291	379,768
47.075	Social, Behavioral, and Economic Sciences	NDSU			474,665	236,102

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
47.076	Education and Human Resources	UND			297,155	218,033
47.076	Education and Human Resources	NDSU			859,213	816,704
47.078	Polar Programs	UND			13,975	
47.078	Polar Programs	NDSU			76,468	119,317
47.079	Office of International Science and Engineering	NDSU			3,784,136	2,332,279
47.079	Office of International Science and Engineering	UND			13,222	
47.081	Office of Experimental Program to Stimulate Competitive Research	NDSU				1,386,100
47.082	ARRA - Trans-NSF Recovery Act Research Support	UND			81,064	89,992
Pass Through Non-State Entity:						
47.041	Engineering Grants	NDSU	Blue Sky Engineering	FAR0020186	\$	\$ 5,097
47.041	Engineering Grants	NDSU	Renuvix LLC	N/A / IIP-1416983	35,009	37,850
47.041	Engineering Grants	NDSU	University of Minnesota	A005007501	10,368	
47.049	Mathematical and Physical Sciences	NDSU	California State University, Fullerton	S-5741-NDSU	3,763	16,800
47.050	Geosciences	NDSU	Pennsylvania State University	4219-NDSU-NSF-8652		2,415
47.050	Geosciences	NDSU	Purdue University	4101-70253	36,053	
47.070	Computer and Information Science and Engineering	UND	Board of Trustees of the University of Illinois	2015-07710-04	6,674	
47.070	Computer and Information Science and Engineering	UND	Board of Trustees of the University of Illinois	2016-04546-01	31,884	
47.074	Biological Sciences	UND	University of Connecticut	524953	10,812	
47.074	Biological Sciences	UND	University of Connecticut	FRS# 524953		2,514
47.074	Biological Sciences	NDSU	University of Florida	UF10124 -IOS-0923975		(562)
47.075	Social, Behavioral, and Economic Sciences	NDSU	Northwestern University	SP0025571PROJ0008522	2,472	37,968
47.076	Education and Human Resources	VCSU	Minnesota State Colleges and Universities	56511	8,443	
47.076	Education and Human Resources	NDSU	National Center for Science and Civic Engagement	N/A		3,000
47.076	Education and Human Resources	NDSU	Salish Kootenai College	N/A		4,800
47.076	Education and Human Resources	UND	University of Missouri - Columbia	C00030084-2		16,229
<i>Total for Research & Development Cluster</i>					<u>\$ 9,435,894</u>	<u>\$ 8,791,741</u>
Total For National Science Foundation					<u>\$ 10,053,190</u>	<u>\$ 9,140,225</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Small Business Administration						
<i>Unclustered</i>						
Direct Programs:						
59.037	Small Business Development Centers	UND			\$ 533,985	\$ 775,074
59.058	Federal and State Technology Partnership Program	UND			103,063	88,774
<i>Total for Unclustered</i>					<u>\$ 637,048</u>	<u>\$ 863,848</u>
Total For Small Business Administration					<u>\$ 637,048</u>	<u>\$ 863,848</u>
Social Security Administration						
<i>Unclustered</i>						
Direct Programs:						
96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	36000			\$ 80,500	\$ 95,765
<i>Total for Unclustered</i>					<u>\$ 80,500</u>	<u>\$ 95,765</u>
<i>Disability Insurance/SSI Cluster</i>						
Direct Programs:						
96.001	Social Security - Disability Insurance	32500			\$ 3,372,374	\$ 3,430,758
<i>Total for Disability Insurance/SSI Cluster</i>					<u>\$ 3,372,374</u>	<u>\$ 3,430,758</u>
Total For Social Security Administration					<u>\$ 3,452,874</u>	<u>\$ 3,526,523</u>
U.S. Department Of Agriculture						
<i>Unclustered</i>						
Direct Programs:						
10.001	Agricultural Research - Basic and Applied Research	NDSU			\$ 2,391	\$
10.025	Plant and Animal Disease, Pest Control, and Animal Care	60200			440,954	395,681
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NDSU			26,723	
10.028	Wildlife Services	72000			4,236	
10.153	Market News	60200			10,500	10,500
10.162	Inspection Grading and Standardization	60200			688	1,307
10.163	Market Protection and Promotion	60200			24,263	7,708
10.170	Specialty Crop Block Grant Program - Farm Bill	60200			2,226,045	1,159,141

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
				2016	2015
10.171	Organic Certification Cost Share Programs	60200		97,695	94,656
10.220	Higher Education - Multicultural Scholars Grant Program	NDSU		1,125	4,645
10.220	Higher Education - Multicultural Scholars Grant Program	UND			451
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU		224	
10.319	Farm Business Management and Benchmarking Competitive Grants Program	NDSU		241,702	486,931
10.326	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	DSU		68,340	
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU		71,954	9,954
10.351	Rural Business Development Grant	DCB		50,081	
10.435	State Mediation Grants	60200		64,187	39,817
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	60200		518,670	548,413
10.479	Food Safety Cooperative Agreements	60200		16,985	13,865
10.500	Cooperative Extension Service	NDSU		3,942,270	3,996,754
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	30100		10,422,218	10,168,219
10.558	Child and Adult Care Food Program	20100		11,086,994	10,659,996
10.560	State Administrative Expenses for Child Nutrition	20100		1,046,544	997,651
10.567	Food Distribution Program on Indian Reservations	20100		1,139,608	1,189,707
10.574	Team Nutrition Grants	20100		219,025	161,961
10.575	Farm to School Grant Program	20100		49,909	
10.578	WIC Grants To States (WGS)	30100		282,716	126,384
10.579	Child Nutrition Discretionary Grants Limited Availability	20100		172,375	82,277
10.582	Fresh Fruit and Vegetable Program	20100		1,838,853	1,906,386
10.664	Cooperative Forestry Assistance	NDSU		1,879,450	1,645,886
10.664	Cooperative Forestry Assistance	60200			4,914
10.672	Rural Development, Forestry, and Communities	NDSU			15
10.675	Urban and Community Forestry Program	NDSU		8,000	
10.678	Forest Stewardship Program	NDSU			3,230

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
10.680	Forest Health Protection	60200			32,991	38,834
10.773	Rural Business Opportunity Grants	DCB				12,028
10.773	Rural Business Opportunity Grants	DSU			62,408	58,781
10.855	Distance Learning and Telemedicine Loans and Grants	11200			267,140	
10.950	Agricultural Statistics Reports	NDSU			20,000	20,000
10.962	Cochran Fellowship Program-International Training-Foreign Participant	NDSU			3,623	6,017
Nonmonetary Assistance:						
10.558	Child and Adult Care Food Program	20100			\$	\$ 9,738
10.567	Food Distribution Program on Indian Reservations	20100			4,245,182	3,133,048
Pass Through Non-State Entity:						
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	Northern Pulse Growers Association	N/A	\$ 8,000	\$
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of New Hampshire	16-066	18,567	
10.215	Sustainable Agriculture Research and Education	DCB	Regents of the University of Minnesota	H004991209	25,975	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H003040113		14,253
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H003679415	12,191	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H004403717	13,372	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H004403724	10,659	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H004991211	26,706	
10.217	Higher Education - Institution Challenge Grants Program	NDSU	Ohio State University	60020124		19,252
10.217	Higher Education - Institution Challenge Grants Program	NDSU	South Dakota State University	3TC576		7,684
10.303	Integrated Programs	NDSU	University of Illinois, Urbana Champaign	2012-05854-15(A0107)		20,129
10.304	Homeland Security - Agricultural	NDSU	Kansas State University	S13012	24,359	30,975
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Kansas State University	S11205	66,104	85,988
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU	University of Illinois, Urbana Champaign	2014-07306-06	17,888	5,226
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU	University of Illinois, Urbana Champaign	2014-07306-09	12,900	6,676
10.500	Cooperative Extension Service	NDSU	Kansas State University	S14114		29,335
10.500	Cooperative Extension Service	NDSU	Kansas State University	S15071	6,193	15,317
10.500	Cooperative Extension Service	NDSU	Kansas State University	S15133	16,081	14,907

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					2016	2015
10.500	Cooperative Extension Service	NDSU	Kansas State University	S16084	10,404	
10.500	Cooperative Extension Service	NDSU	Kansas State University	S16123	610	
10.500	Cooperative Extension Service	NDSU	University of Minnesota	H003044604	25,437	28,746
10.500	Cooperative Extension Service	NDSU	University of Minnesota	H003044611	6,137	15,189
10.500	Cooperative Extension Service	NDSU	University of Minnesota	H003343901		16,000
10.500	Cooperative Extension Service	NDSU	University of Minnesota	H003703713	31,424	8,326
10.500	Cooperative Extension Service	NDSU	University of Nebraska-Lincoln	25-6324-0119-106	7,741	7,306
10.500	Cooperative Extension Service	NDSU	University of New Hampshire	13-071		21,811
10.500	Cooperative Extension Service	NDSU	University of New Hampshire	15-060	23,240	
10.854	Rural Economic Development Loans and Grants	NDSU	Mississippi State University	018000.340753.02	17,076	
10.902	Soil and Water Conservation	NDSU	South Dakota State University	3TK491		8,493
<i>Total for Unclustered</i>					<u>\$ 40,967,133</u>	<u>\$ 37,350,508</u>
<i>Unclustered</i>						
Direct Programs:						
10.XXX	2014 Farm Bill Producer Education	NDSU		58-0510-4-042	\$	\$ 43,525
Pass Through Non-State Entity:						
10.XXX	Professional Development for Extension Professionals and Educators on Land Use and Management Practice to Enhance Water Quality	NDSU	North Central Region Water Network	2015.2	\$ 7,167	\$
<i>Total for Unclustered</i>					<u>\$ 7,167</u>	<u>\$ 43,525</u>
<i>Child Nutrition Cluster</i>						
Direct Programs:						
10.553	School Breakfast Program	20100			\$ 5,303,393	\$ 4,871,545
10.555	National School Lunch Program	20100			20,196,151	19,053,324
10.556	Special Milk Program for Children	20100			24,290	24,154
10.559	Summer Food Service Program for Children	20100			693,828	754,275
Nonmonetary Assistance:						
10.555	National School Lunch Program	20100			\$ 3,655,975	\$ 2,897,238
10.559	Summer Food Service Program for Children	20100			30,736	48,451
<i>Total for Child Nutrition Cluster</i>					<u>\$ 29,904,373</u>	<u>\$ 27,648,987</u>

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
Food Distribution Cluster						
Direct Programs:						
10.565	Commodity Supplemental Food Program	20100			\$ 133,653	\$ 162,187
10.568	Emergency Food Assistance Program (Administrative Costs)	20100			132,933	119,597
Nonmonetary Assistance:						
10.565	Commodity Supplemental Food Program	20100			\$ 475,897	\$ 479,581
10.569	Emergency Food Assistance Program (Food Commodities)	20100			111,096	50,027
Total for Food Distribution Cluster					\$ 853,579	\$ 811,392
Forest Service Schools and Roads Cluster						
Direct Programs:						
10.665	Schools and Roads - Grants to States	12000			\$ 315	\$ 507
Total for Forest Service Schools and Roads Cluster					\$ 315	\$ 507
Research & Development Cluster						
Direct Programs:						
10.001	Agricultural Research - Basic and Applied Research	UND			\$ 2,022,591	\$ 2,056,144
10.001	Agricultural Research - Basic and Applied Research	NDSU			2,120,447	2,367,899
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NDSU			44,843	58,583
10.028	Wildlife Services	UND			14,732	
10.028	Wildlife Services	NDSU			125,040	132,277
10.156	Federal-State Marketing Improvement Program	NDSU				75,291
10.167	Transportation Services	NDSU			38,626	37,359
10.200	Grants for Agricultural Research, Special Research Grants	NDSU			186,365	221,518
10.202	Cooperative Forestry Research	NDSU			181,979	232,007
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	NDSU			2,818,825	3,156,142
10.207	Animal Health and Disease Research	NDSU			49,295	32,688
10.303	Integrated Programs	NDSU			100,921	283,516
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU			1,834,838	1,995,912
10.310	Agriculture and Food Research Initiative (AFRI)	UND			130,367	108,478
10.664	Cooperative Forestry Assistance	NDSU			63,761	134,281

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
10.680	Forest Health Protection	NDSU			13,989	16,011
10.777	Norman E. Borlaug International Agricultural Science and Technology Fellowship	NDSU				2,188
10.903	Soil Survey	NDSU			23,664	34,171
10.912	Environmental Quality Incentives Program	NDSU			221,318	297,934
10.XXX	Influence of Fire Severity on Soil Mercury Pools	NDSU		12-JV-11242307-101	4,578	954
10.XXX	Survey for the Dakota Skipper <i>Hesperia dacotae</i> (Skinner) and Poweshiek Skipperling <i>Oarisma poweshiek</i> (Parker) in the Sheyenne Grasslands of Southeastern North Dakota	NDSU		AG-87BJ-C-15-0009	11,889	
10.XXX	USDA Forest Service Cost Share Challenge	VCSU		12-CS-11011800-011	6,725	7,266
10.XXX	Wildland Restoration Effects on Soil Properties	NDSU		11-CR-11221632-185		1,980
10.XXX	Wind River Glacier Glacial Indicator Assessment	UND		15-CS-11021400-008	10,447	970
Pass Through Non-State Entity:						
10.001	Agricultural Research - Basic and Applied Research	NDSU	Kansas State University	S14133	\$	\$ 66
10.001	Agricultural Research - Basic and Applied Research	NDSU	University of Nebraska-Lincoln	25-6235-0145-003		(798)
10.001	Agricultural Research - Basic and Applied Research	NDSU	University of Nebraska-Lincoln	25-6235-0205-002	2,376	532
10.167	Transportation Services	NDSU	Iowa State University	412-40-22	5,388	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	Cornell University	67503-10054		13,534
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	Cornell University	70290-10204		9,030
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	Minnesota Department of Agriculture	103807 / 18076	524	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	Minnesota Department of Agriculture	86746	22,867	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	National Sunflower Association	N/A	63,540	15,429
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	Northern Plains Sustainable Agriculture	N/A	41,174	28,564
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Iowa State University	416-40-93K		383
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	PO 217307	3,092	27
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	PO 217308	3,908	19,592
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RC064356M		975
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RC103016A		48,487
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RC103016E		1,675
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RC104283C	79,355	63,176
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of Wisconsin	419K941		442

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Years Ended June 30, 2016 and 2015

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	University of Wisconsin	502K736	855	18,877
10.215	Sustainable Agriculture Research and Education	NDSU	Northern Plains Sustainable Agriculture	N/A	17,964	14,255
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H001911532		66,977
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H002484806	31,372	40,650
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H003040109	24,832	70,352
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H004403728	1,005	
10.227	1994 Institutions Research Program	NDSU	United Tribes Technical Colleges	2012-38424-19886	4,144	4,495
10.227	1994 Institutions Research Program	NDSU	United Tribes Technical Colleges	N/A	15,628	18,457
10.227	1994 Institutions Research Program	NDSU	White Earth Tribal And Community College	474-01		11,819
10.303	Integrated Programs	NDSU	Michigan State University	RC101772NDSU2		9,509
10.303	Integrated Programs	NDSU	Michigan State University	RC101772NDSU3		15,000
10.303	Integrated Programs	NDSU	Michigan State University	RC101772NDSU4	2,529	1,938
10.303	Integrated Programs	NDSU	Michigan State University	RC101772NDSU5		5,870
10.303	Integrated Programs	NDSU	Michigan State University	RC105240C	11,269	
10.303	Integrated Programs	NDSU	Michigan State University	RC10772NDSU1		11,112
10.303	Integrated Programs	NDSU	University of Illinois, Urbana Champaign	2012-05854-17(A0107)		21,146
10.307	Organic Agriculture Research and Extension Initiative	NDSU	Cornell University	64325-9778	12,257	28,956
10.307	Organic Agriculture Research and Extension Initiative	NDSU	Montana State University	G127-13-W4181	71,181	24,190
10.309	Specialty Crop Research Initiative	NDSU	Cornell University	64094-9749	76,397	954
10.309	Specialty Crop Research Initiative	NDSU	Cornell University	73999-10419	232,186	26,962
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Iowa State University	416-40-37A	15,107	18,698
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Purdue University	8000041989-AG		198
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Purdue University	8000067419-AG	46,045	4,957
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	South Dakota State University	3TB821	41,451	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	South Dakota State University	3TC859	2,368	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	University of California - Davis	201015718-21	276,239	250,411
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	University of California - Riverside	S-000586	25,642	12,377
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	University of Idaho	KK290-SB-002		14,493
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	University of Vermont	29034SUBUCF	36,439	

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Years Ended June 30, 2016 and 2015

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Virginia Tech	422262-19953	16,856	10,973
10.314	New ERA Rural Technology Competitive Grants Program	NDSU	University of Nebraska-Lincoln	25-6324-0139-004	32,711	16,305
10.320	Sun Grant Program	NDSU	South Dakota State University	3TJ114		4
10.352	Value-Added Producer Grants	NDSU	American Ag Energy LLC	N/A		5,352
10.500	Cooperative Extension Service	NDSU	Kansas State University	S14074		8,566
10.500	Cooperative Extension Service	NDSU	Kansas State University	S14188		5,403
10.500	Cooperative Extension Service	NDSU	Pennsylvania State University	5216-NDSU-USDA-2628		1,780
10.604	Technical Assistance for Specialty Crops Program	NDSU	National Potato Promotion Board	2013-09	62,800	
10.604	Technical Assistance for Specialty Crops Program	NDSU	National Potato Promotion Board	Prime 2013-09		62,800
10.777	Norman E. Borlaug International Agricultural Science and Technology Fellowship	NDSU	University of California - Davis	016258-92		7,752
10.XXX	Determination of Pesticide Residues in or on Commodities	NDSU	Michigan State University	266372	12,500	
10.XXX	Evaluation of Potato Soil Health through Microbial	NDSU	Brigham Young University	15-0452	10,905	
10.XXX	Minor Crop Pest Management Program Interregional Research	NDSU	Michigan State University	PO 267489	8,138	
10.XXX	ND / MN Extension State and Area Specialist Positions	NDSU	University of Minnesota	PO 0001126753	26,716	
<i>Total for Research & Development Cluster</i>					<u>\$ 11,363,000</u>	<u>\$ 12,266,271</u>
<i>SNAP Cluster</i>						
<i>Direct Programs:</i>						
10.551	Supplemental Nutrition Assistance Program	32500			\$ 78,385,642	\$ 76,721,876
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	32500			11,211,831	7,720,138
<i>Total for SNAP Cluster</i>					<u>\$ 89,597,473</u>	<u>\$ 84,442,014</u>
Total For U.S. Department Of Agriculture					<u>\$ 172,693,040</u>	<u>\$ 162,563,204</u>
U.S. Election Assistance Commission						
<i>Unclustered</i>						
<i>Direct Programs:</i>						
90.401	Help America Vote Act Requirements Payments	10800			\$ 611,898	\$ 1,347,112
<i>Total for Unclustered</i>					<u>\$ 611,898</u>	<u>\$ 1,347,112</u>
Total For U.S. Election Assistance Commission					<u>\$ 611,898</u>	<u>\$ 1,347,112</u>

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Years Ended June 30, 2016 and 2015

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	
					2016	2015
United States Agency For International Development						
Unclustered						
Pass Through Non-State Entity:						
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	Michigan State University	RC103109 NDSU	\$	\$ (4,711)
Total for Unclustered					\$	\$ (4,711)
Research & Development Cluster						
Pass Through Non-State Entity:						
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	Michigan State University	EDH-A-00-07-00005	\$ 111,818	\$ 19,633
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	Michigan State University	RC103109 NDSU	137,988	168,519
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	Pennsylvania State University	4932-NDSU-AID-0077	99,791	91,409
98.XXX	A Sustainable Point-of-use Filtration Unit for Treating Pesticide Contaminated by Groundwater	NDSU	The National Academies	2000006097	34,931	
Total for Research & Development Cluster					\$ 384,528	\$ 279,561
Total For United States Agency For International Development					\$ 384,528	\$ 274,850
TOTAL EXPENDITURES OF FEDERAL AWARD					\$ 1,890,195,816	\$ 1,829,834,066

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

For the Fiscal Years Ended June 30, 2016 and 2015

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 \$10,633,113 in federal expenditures, distributions, or issuances for the two-year period ended June 30, 2016.

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

For the Fiscal Years Ended June 30, 2016 and 2015

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 and Finance, 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, 2016 and 2015

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.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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, 2016 and 2015, the inventory balances of nonmonetary assistance were as follows:

Nonmonetary Assistance	June 30, 2015	June 30, 2016
Food Commodities	\$1,327,876	\$ 1,019,433
Donated Surplus Property	3,931,045	4,183,268
Vaccines	3,090,693	3,083,442
Total Inventory Balance	<u>\$8,349,614</u>	<u>\$8,286,143</u>

NOTE 4. LOAN PROGRAMS

The state administers two loan programs with continuing compliance requirements other than Student Financial Aid. At June 30, 2016 and 2015, the amount of loans receivable for each loan program were as follows:

Loan Program	CFDA #	FY15	FY16
Community Development Block Grants/State's Program	14.228	\$ 6,231,170	\$ 5,287,227
HOME Investment Partnerships Program	14.239	1,407,385	2,611,071
Total Loans Receivable		<u>\$ 7,638,555</u>	<u>\$ 7,898,298</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, 2016 and 2015 are identified below:

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

For the Fiscal Years Ended June 30, 2016 and 2015

Student Financial Aid Program	CFDA #	FY15	FY16
Loan Advances:			
Federal Perkins Loan Program	84.038	\$ 5,393,480	\$ 5,357,804
Federal Direct Student Loans	84.268	164,999,355	162,135,120
Nurse Faculty Loan Program (NFLP)	93.264	5,032	9,562
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	42,700	20,000
Nursing Student Loans	93.364	515,413	525,690
Total Loan Advances		<u>\$ 170,955,980</u>	<u>\$ 168,048,176</u>
Loans Receivable:			
Federal Perkins Loan Program	84.038	\$ 33,439,152	\$ 32,919,394
Nurse Faculty Loan Program (NFLP)	93.264	141,578	118,224
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	431,010	415,970
Nursing Student Loans	93.364	2,740,585	2,685,345
Total Loans Receivable		<u>\$ 36,752,325</u>	<u>\$ 36,138,933</u>
Federal Capital Contributions:			
Federal Perkins Loan Program	84.038	\$ -	\$ -
Nurse Faculty Loan Program (NFLP)	93.264	-	-
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	-	-
Nursing Student Loans	93.364	3,420	-
Total Federal Capital Contributions		<u>\$ 3,420</u>	<u>\$ -</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, 2016 and 2015

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:

Program Title	Federal Agency	CFDA Number	2015	2016
Specialty Crop Block Grant Program - Farm Bill	USDA	10.170	\$ 464,957	\$ 466,646
Organic Certification Cost Share Programs	USDA	10.171	93,576	90,630
Grants for Agricultural Research, Special Research Grants	USDA	10.200	28,653	30,678
Sustainable Agriculture Research and Education	USDA	10.215	4,854	
Integrated Programs	USDA	10.303	194,753	63,727
Agriculture and Food Research Initiative (AFRI)	USDA	10.310	667,877	665,924
Farm Business Management and Benchmarking				
Competitive Grants Program	USDA	10.319	403,507	219,251
School Breakfast Program	USDA	10.553	4,809,367	5,238,438
National School Lunch Program	USDA	10.555	21,840,631	23,734,730
Special Milk Program for Children	USDA	10.556	24,154	24,290
Special Supplemental Nutrition Program for Women, Infants, and Children	USDA	10.557	3,193,861	3,175,262
Child and Adult Care Food Program	USDA	10.558	10,409,485	10,736,466
Summer Food Service Program for Children	USDA	10.559	746,581	670,483
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	USDA	10.561	50,406	56,451
Commodity Supplemental Food Program	USDA	10.565	530,913	527,572
Food Distribution Program on Indian Reservations	USDA	10.567	3,935,904	5,039,522
Emergency Food Assistance Program (Administrative Costs)	USDA	10.568	12,200	27,863
Emergency Food Assistance Program (Food Commodities)	USDA	10.569	50,027	111,096
Team Nutrition Grants	USDA	10.574	29,179	59,949
WIC Grants To States (WGS)	USDA	10.578	10,832	79,983
Child Nutrition Discretionary Grants Limited Availability	USDA	10.579	57,461	38,162
Fresh Fruit and Vegetable Program	USDA	10.582	1,825,083	1,788,397
Cooperative Forestry Assistance	USDA	10.664	674,999	737,722
Schools and Roads - Grants to States	USDA	10.665	507	315
Urban and Community Forestry Program	USDA	10.675		8,000
Forest Health Protection	USDA	10.680	27,875	28,936
Environmental Quality Incentives Program	USDA	10.912	174,695	82,899

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

For the Fiscal Years Ended June 30, 2016 and 2015

Payments to States in Lieu of Real Estate Taxes	DOD	12.112	224,010	
Congressionally Directed Assistance	DOD	12.599	152,260	10,260
Air Force Defense Research Sciences Program	DOD	12.800	86,247	
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	HUD	14.228	9,819,151	7,687,476
Emergency Solutions Grant Program	HUD	14.231	385,719	412,403
Shelter Plus Care	HUD	14.238	264,168	273,000
HOME Investment Partnerships Program	HUD	14.239	997,543	1,276,032
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG- DR)	HUD	14.269	4,714,920	597,840
Distribution of Receipts to State and Local Governments	DOI	15.227	4,648	6,900
Flood Control Act Lands	DOI	15.433	13,071,981	4,727,571
Late Disbursement Interest	DOI	15.436	191	700
Minerals Leasing Act	DOI	15.437	25,714,351	14,973,792
Sport Fish Restoration	DOI	15.605	567,085	577,786
Wildlife Restoration and Basic Hunter Education	DOI	15.611	588,485	374,060
Enhanced Hunter Education and Safety	DOI	15.626	52,053	99,208
State Wildlife Grants	DOI	15.634	428,080	201,467
Migratory Bird Joint Ventures	DOI	15.637	20,619	5,137
Fish and Wildlife Coordination and Assistance	DOI	15.664	30,000	
Cooperative Landscape Conservation	DOI	15.669	12,641	9,300
Outdoor Recreation - Acquisition, Development and Planning	DOI	15.916	67,893	319,578
Sexual Assault Services Formula Program	DOJ	16.017	234,562	269,571
Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program	DOJ	16.203		24,644
Juvenile Justice and Delinquency Prevention - Allocation to States	DOJ	16.540	405,018	399,144
Missing Children's Assistance	DOJ	16.543	64,311	27,364
Crime Victim Compensation	DOJ	16.576	1,599,037	1,815,684
Violence Against Women Formula Grants	DOJ	16.588	666,804	777,936
Indian Country Alcohol and Drug Prevention	DOJ	16.616	106,002	322,209
PREA Program: Demonstration Projects to Establish 'Zero Tolerance' Cultures for Sexual Assault in Correctional Facilities	DOJ	16.735		15,120
Edward Byrne Memorial Justice Assistance Grant Program	DOJ	16.738	387,115	235,181
Senior Community Service Employment Program	DOL	17.235	413,196	632,397
Incentive Grants - WIA Section 503	DOL	17.267		85,708

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

For the Fiscal Years Ended June 30, 2016 and 2015

Trade Adjustment Assistance Community				
College and Career Training (TAACCCT) Grants	DOL	17.282	2,459,762	2,937,527
Mine Health and Safety Grants	DOL	17.600	59,190	90,525
Aviation Research Grants	DOT	20.108	40,000	
Highway Planning and Construction	DOT	20.205	1,658,101	3,922,272
Recreational Trails Program	DOT	20.219	255,665	316,680
Federal Transit - Capital Investment Grants	DOT	20.500	246,177	658,205
Metropolitan Transportation Planning and State				
and Non-Metropolitan Planning and Research	DOT	20.505	1,214,073	763,469
Formula Grants for Rural Areas	DOT	20.509	4,763,405	4,889,113
Enhanced Mobility of Seniors and Individuals				
with Disabilities	DOT	20.513	736,690	370,003
Public Transportation Research, Technical				
Assistance, and Training	DOT	20.514		20,797
Job Access And Reverse Commute Program	DOT	20.516	203,649	265,730
New Freedom Program	DOT	20.521	160,306	82,134
Bus and Bus Facilities Formula Program	DOT	20.526	404,537	1,680,437
State and Community Highway Safety	DOT	20.600	360,680	368,235
Alcohol Impaired Driving Countermeasures				
Incentive Grants I	DOT	20.601	279,963	104,646
National Priority Safety Programs	DOT	20.616	359,116	515,187
University Transportation Centers Program	DOT	20.701	1,825,072	1,595,697
Interagency Hazardous Materials Public Sector				
Training and Planning Grants	DOT	20.703	144,348	134,280
Science	NASA	43.001	90,232	144,393
Education	NASA	43.008		2,833
Climate Change Communication: Engineering,				
Environmental Science, and Education(C3E3)	NASA	43.XXX	4,120	
North Dakota NASA Space Grant Consortium FY				
2010-2014	NASA	43.XXX	6,224	
Research Opportunities in Space and Earth				
Sciences	NASA	43.XXX	7,669	
Promotion of the Arts - Partnership Agreements	NEA	45.025	594,590	589,403
Engineering Grants	NSF	47.041	11,196	30,000
Mathematical and Physical Sciences	NSF	47.049	6,658	21,392
Biological Sciences	NSF	47.074	7,918	25,969
Education and Human Resources	NSF	47.076	23,026	21,998
Office of International Science and Engineering	NSF	47.079	143,683	303,694
Office of Experimental Program to Stimulate				
Competitive Research	NSF	47.081	471,076	
ARRA - Trans-NSF Recovery Act Research				
Support	NSF	47.082	89,992	81,064

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

For the Fiscal Years Ended June 30, 2016 and 2015

Small Business Development Centers	SBA	59.037	144,080	88,014
Veterans Transportation Program	VA	64.035	747	35,430
State Clean Diesel Grant Program	EPA	66.040	99,000	76,029
Water Quality Management Planning	EPA	66.454	68,909	2,034
Nonpoint Source Implementation Grants	EPA	66.460	2,460,417	2,810,630
Regional Wetland Program Development Grants	EPA	66.461	86,599	66,791
Performance Partnership Grants	EPA	66.605	44,459	46,394
State Energy Program	DOE	81.041	53,477	156,179
Weatherization Assistance for Low-Income Persons	DOE	81.042	3,086,927	2,358,002
University Coal Research	DOE	81.057		14,602
Renewable Energy Research and Development	DOE	81.087	55,086	30,528
Fossil Energy Research and Development	DOE	81.089	448,231	576,154
Direct Restitution	DOE	81.XXX	18,255	2,832
Stripperwell Settlement	DOE	81.XXX		39,445
Adult Education - Basic Grants to States	ED	84.002	1,097,106	913,385
Title I Grants to Local Educational Agencies	ED	84.010	33,723,419	32,869,939
Migrant Education - State Grant Program	ED	84.011	186,750	226,225
Special Education - Grants to States	ED	84.027	24,587,765	26,193,879
Career and Technical Education - Basic Grants to States	ED	84.048	2,294,563	2,259,379
Rehabilitation Services - Vocational Rehabilitation Grants to States	ED	84.126		286,754
Migrant Education - Coordination Program	ED	84.144		142,733
Independent Living - State Grants	ED	84.169	232,087	360,262
Special Education - Preschool Grants	ED	84.173	739,869	756,418
School Safety National Activities	ED	84.184	43,884	115,787
Education for Homeless Children and Youth	ED	84.196	95,609	84,349
Assistive Technology	ED	84.224	328,404	360,616
Twenty-First Century Community Learning Centers	ED	84.287	5,559,523	5,825,124
Special Education - State Personnel Development	ED	84.323	53,825	200,078
Rural Education	ED	84.358	22,884	47,460
English Language Acquisition State Grants	ED	84.365	431,535	582,632
Mathematics and Science Partnerships	ED	84.366	20,000	30,019
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	ED	84.367	11,672,484	9,987,604
Grants for State Assessments and Related Activities	ED	84.369		127,362
School Improvement Grants	ED	84.377	1,014,854	1,091,769

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

For the Fiscal Years Ended June 30, 2016 and 2015

Promoting Readiness of Minors in Supplemental Security Income	ED	84.418	5,233	25,381
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	HHS	93.044	208,559	264,119
Public Health Emergency Preparedness Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	HHS	93.069	1,962,553	1,999,557
Affordable Care Act (ACA) Personal Responsibility Education Program	HHS	93.074		146,391
Maternal and Child Health Federal Consolidated Programs	HHS	93.092	207,266	215,440
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	HHS	93.110	3,546	
Injury Prevention and Control Research and State and Community Based Programs	HHS	93.116	2,893	
Rural Health Research Centers	HHS	93.136	89,246	151,268
Grants to States for Loan Repayment Program	HHS	93.155	339,318	346,566
Family Planning - Services	HHS	93.165	195,566	69,999
Development and Coordination of Rural Health Services	HHS	93.217	628,092	626,796
Affordable Care Act (ACA) Abstinence Education Program	HHS	93.223	183,558	425,370
Grants to States to Support Oral Health Workforce Activities	HHS	93.235	25,127	53,813
State Rural Hospital Flexibility Program	HHS	93.236	118,725	229,046
Immunization Cooperative Agreements	HHS	93.241	180,062	349,608
Drug Abuse and Addiction Research Programs	HHS	93.268	8,181,218	7,167,023
Centers for Disease Control and Prevention - Investigations and Technical Assistance	HHS	93.279	17,097	
Small Rural Hospital Improvement Grant Program	HHS	93.283	242,334	44,720
National State Based Tobacco Control Programs	HHS	93.301	287,221	458,904
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	HHS	93.305	55,322	231,407
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	HHS	93.323	18,932	20,748
Cancer Treatment Research	HHS	93.332	175,408	143,457
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and	HHS	93.395		146,685
	HHS	93.539		217,871

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

For the Fiscal Years Ended June 30, 2016 and 2015

Performance financed in part by Prevention and Public Health Funds				
Promoting Safe and Stable Families	HHS	93.556	137,071	142,670
Temporary Assistance for Needy Families	HHS	93.558	6,426,678	5,036,300
Refugee and Entrant Assistance - State Administered Programs	HHS	93.566	707,523	774,786
Low-Income Home Energy Assistance	HHS	93.568	831	163,188
Community Services Block Grant	HHS	93.569	3,154,548	2,996,640
Child Care and Development Block Grant	HHS	93.575	2,339,777	2,949,246
Refugee and Entrant Assistance - Discretionary Grants	HHS	93.576	115,801	149,111
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	HHS	93.596	428,379	210,395
Developmental Disabilities Basic Support and Advocacy Grants	HHS	93.630	101,861	65,690
Children's Justice Grants to States	HHS	93.643	28,601	44,851
Stephanie Tubbs Jones Child Welfare Services Program	HHS	93.645	144,018	194,726
Social Services Research and Demonstration	HHS	93.647	42,686	46,027
Foster Care - Title IV-E	HHS	93.658	4,365,370	4,569,713
Adoption Assistance	HHS	93.659	62,611	69,956
Child Abuse and Neglect State Grants	HHS	93.669	119,492	72,847
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	HHS	93.671	686,542	709,381
Chafee Foster Care Independence Program	HHS	93.674	460,003	469,397
PPHF Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges	HHS	93.750	54,257	
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations				
financed in part by Prevention and Public Health Funds	HHS	93.752		37,807
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	HHS	93.757	70,689	174,076
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	HHS	93.758	103,992	172,579
Children's Health Insurance Program	HHS	93.767	1,025	
Medical Assistance Program	HHS	93.778	80,162	61,587

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

For the Fiscal Years Ended June 30, 2016 and 2015

Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	HHS	93.817	306,851	
Diabetes, Digestive, and Kidney Diseases Extramural Research	HHS	93.847	24,418	
Allergy and Infectious Diseases Research	HHS	93.855	9,811	1,696
Biomedical Research and Research Training	HHS	93.859	468,973	385,714
National Bioterrorism Hospital Preparedness Program	HHS	93.889	380,465	441,413
HIV Care Formula Grants	HHS	93.917	2,582	
Assistance Programs for Chronic Disease Prevention and Control	HHS	93.945	12,200	56,624
Preventive Health Services - Sexually Transmitted Diseases Control Grants	HHS	93.977	8,089	9,335
Preventive Health and Health Services Block Grant	HHS	93.991	7,810	
Maternal and Child Health Services Block Grant to the States	HHS	93.994	490,481	496,128
AmeriCorps	CNCS	94.006	599,881	565,845
High Intensity Drug Trafficking Areas Program	EOP	95.001	166,885	184,831
Boating Safety Financial Assistance	DHS	97.012	36,174	35,715
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DHS	97.036	16,467,506	4,522,597
Hazard Mitigation Grant	DHS	97.039	17,225,999	11,401,185
Emergency Management Performance Grants	DHS	97.042	1,688,807	1,623,777
Emergency Operations Center	DHS	97.052	901,010	87,490
Homeland Security Grant Program	DHS	97.067	3,689,566	2,937,766
USAID Foreign Assistance for Programs Overseas	USAID	98.001	53,350	
			<u>\$291,938,344</u>	<u>\$253,756,639</u>

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

**For the Fiscal Years Ended June 30, 2016 and 2015
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<u>STATE AGENCY</u>	<u>CFDA NUMBER</u>	<u>FEDERAL AGENCY</u>	<u>FINDING NUMBER</u>
Department of Health	Various	Various	2016-001
Department of Human Services	93.777/93.778	HHS	2016-002
Department of Human Services	93.777/93.778	HHS	2016-003
Department of Human Services	93.777/93.778	HHS	2016-004
Department of Human Services	93.777/93.778	HHS	2016-005
Department of Human Services	93.777/93.778/93.767	HHS	2016-006
Department of Human Services	93.777/93.778/93.767/ 93.575/93.596/93.558	HHS	2016-007
Department of Human Services	93.777/93.778	HHS	2016-008
Department of Human Services	93.777/93.778	HHS	2016-009
Department of Human Services	93.777/93.778	HHS	2016-010
Department of Human Services	93.777/93.778	HHS	2016-011
Department of Human Services	93.777/93.778	HHS	2016-012
Department of Human Services	93.777/93.778	HHS	2016-013
Department of Human Services	93.777/93.778	HHS	2016-014
Department of Human Services	93.777/93.778	HHS	2016-015
Department of Human Services	93.767	HHS	2016-016
Department of Human Services	93.767	HHS	2016-017
Department of Human Services	93.575/93.596	HHS	2016-018
Department of Human Services	93.575/93.596	HHS	2016-019
Department of Human Services	93.575/93.596	HHS	2016-020
Department of Human Services	93.575/93.596	HHS	2016-021
Department of Human Services	93.575/93.596	HHS	2016-022
Department of Human Services	93.575/93.596	HHS	2016-023
Department of Human Services	93.575/93.596	HHS	2016-024
Department of Human Services	93.575/93.596	HHS	2016-025
Department of Human Services	93.575/93.596	HHS	2016-026

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

**For the Fiscal Years Ended June 30, 2016 and 2015
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Department of Human Services	93.575/93.596	HHS	2016-027
Department of Human Services	93.575/93.596	HHS	2016-028
Department of Human Services	93.575/93.596	HHS	2016-029
Department of Human Services	93.575/93.596	HHS	2016-030
Department of Human Services	93.658	HHS	2016-031
Department of Human Services	93.658	HHS	2016-032
Department of Human Services	93.658	HHS	2016-033
Department of Human Services	93.658	HHS	2016-034
Department of Human Services	93.658	HHS	2016-035
Department of Human Services	93.658/93.659	HHS	2016-036
Department of Human Services	93.659	HHS	2016-037
Department of Human Services	93.659	HHS	2016-038
Department of Human Services	93.659	HHS	2016-039
Department of Human Services	93.563	HHS	2016-040
Department of Human Services	93.563	HHS	2016-041
Department of Human Services	84.126/93.563	ED/HHS	2016-042
Department of Human Services	93.568	HHS	2016-043
Department of Human Services	93.568	HHS	2016-044
Department of Human Services	93.568	HHS	2016-045
Department of Human Services	93.558	HHS	2016-046
Department of Human Services	93.044/93.045/93.053	HHS	2016-047
Department of Human Services	93.044/93.045/93.053	HHS	2016-048
Department of Human Services	93.044/93.045/93.053	HHS	2016-049
Department of Human Services	93.044/93.045/93.053	HHS	2016-050
Department of Human Services	93.044/93.045/93.053	HHS	2016-051
Department of Human Services	93.044/93.045/93.053/ 93.568/93.575/93.596	HHS	2016-052
Department of Human Services	84.126	ED	2016-053
Department of Human Services	84.126	ED	2016-054
Department of Human Services	84.126	ED	2016-055
Department of Human Services	84.126	ED	2016-056
Department of Human Services	Various	Various	2016-057
Department of Human Services	Various	Various	2016-058
Department of Human Services	Various	Various	2016-059

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

**For the Fiscal Years Ended June 30, 2016 and 2015
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Department of Human Services	Various	HHS	2016-060
Department of Human Services	Various	Various	2016-061
Department of Human Services	Various	Various	2016-062
Department of Public Instruction	84.366	ED	2016-063
Department of Public Instruction	84.287	ED	2016-064
Department of Public Instruction	84.287	ED	2016-065
Department of Public Instruction	84.027/84.173	ED	2016-066
Department of Public Instruction	10.565/10.568/10.569	USDA	2016-067
Department of Public Instruction	Various	USDA/ED	2016-068
Department of Transportation	20.205	DOT	2016-069
Department of Transportation	Various	DOT	2016-070
Game and Fish Department	15.605/15.611	DOI	2016-071
Game and Fish Department	15.605/15.611	DOI	2016-072
Governor's Office	93.777/93.778	HHS	2016-073
University System	Various	Various	2016-074

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

For the Fiscal Years Ended June 30, 2016 and 2015

**SECTION I
SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued:	Unmodified
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:	
Medicaid Cluster	Adverse
CCDF Cluster	Qualified
Children's Health Insurance Program	Qualified
Mathematics and Science Partnerships	Qualified
All other major programs	Unqualified
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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.565/10.568/10.569	Food Distribution Cluster
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.XXX	Defense Access Road Program

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

For the Fiscal Years Ended June 30, 2016 and 2015

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
15.433	Flood Control Act Lands
15.437	Mineral Leasing Act
15.605/15.611	Fish and Wildlife Cluster
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants
20.205/20.219	Highway Planning and Construction Cluster
84.010	Title I Grants to Local Educational Agencies
84.027/84.173	Special Education Cluster (IDEA)
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.287	Twenty-First Century Community Learning Centers
84.366	Mathematics and Science Partnerships
93.044/93.045/93.053	Aging Cluster
93.069	Public Health Emergency Preparedness
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.575/93.596	CCDF Cluster
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
93.767	Children’s Health Insurance Program
93.777/93.778	Medicaid Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.039	Hazard Mitigation Grant
97.067	Homeland Security Grant Program

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

For the Fiscal Years Ended June 30, 2016 and 2015

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007/84.033/84.038/ 84.063/84.379/93.264/ 93.342/93.364	Student Financial Assistance Cluster
R & D	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$10,633,113

Auditee qualified as a low risk auditee? No

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

For the Fiscal Years Ended June 30, 2016 and 2015

**SECTION II
FINANCIAL STATEMENT FINDINGS**

FINDING NUMBER: F15-1

Construction in Progress related to Prior Period Adjustment

Condition:

The 2015 financial statements include a prior period adjustment related to an error which overstated expenses in fiscal year 2014 and understated construction in progress (CIP) for the same year.

Effect:

Expenses for transportation in the state's 2014 Statement of Activities were overstated by approximately \$538 million. CIP was understated in the Statement of Position by the same amount.

Cause:

The Department of Transportation's system for determining additions to CIP did not include general fund expenditures. This was primarily due to the general fund being a new sources of funding for infrastructure ('surge' funding).

Criteria:

Based on Government Accounting Standards Board Statement No. 34, paragraph 80, the Office of Management and Budget requires agencies to report additions to CIP during the year so that appropriate adjustments can be made.

Recommendation:

We recommend the Department of Transportation implement better risk assessment practices to identify changes that could affect their financial reporting objectives.

Views of Responsible Officials / Planned Corrective Actions:

NDDOT agrees with the finding and recommendation.

The system for determining additions to CIP has been modified to include all current funding sources. Additionally, for future CIP reporting, NDDOT staff will meet annually with project accounting staff and project programming to insure that all funding sources have been properly considered when running the programs to identify CIP.

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

For the Fiscal Years Ended June 30, 2016 and 2015

FINDING NUMBER: F15-2 (Prior Audit Finding)

Improper 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 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 unacceptably high risk of errors in the management of the motor vehicle clearing account and monthly transfer to the State Treasurer and related distributions.

Cause:

The Department of Transportation failed to implement this recommendation in the past four audits of the Comprehensive Annual Financial Report as the Vehicle Registration and Titling System (VRTS) 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 properly reconcile the motor vehicle clearing account.

Views of Responsible Officials / Planned Corrective Actions:

NDDOT agrees with the finding and recommendation.

To attempt to resolve the reconciliation issue, NDDOT assembled a large, multi-disciplinary task force made up of individuals with accounting, auditing, Motor Vehicle, and information technology expertise. While the task force identified and resolved several issues affecting the reconciliation, they were not able to fully reconcile the Motor Vehicle clearing account.

NDDOT addressed the VRTS problems with the 2013 Legislature. Accordingly, the 2013 Legislature approved a major IT project to replace the system and appropriated funding for the replacement.

NDDOT has entered into a contract with an entity to replace the VRTS system. Work commenced on the new system in mid-February 2015. The new system is expected to be operational by late summer of 2016.

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

For the Fiscal Years Ended June 30, 2016 and 2015

FINDING NUMBER: F16-1 (Prior Audit Finding)

Improper 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 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 unacceptably high risk of errors in the management of the motor vehicle clearing account and monthly transfer to the State Treasurer and related distributions.

Cause:

The Department of Transportation recently replaced the Vehicle Registration and Titling System (VRTS). VRTS was not a financial system and did not have the ability to provide the information necessary for a complete reconciliation. The new system (STARS) is still being refined.

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 properly reconcile the motor vehicle clearing account.

Views of Responsible Officials / Planned Corrective Actions:

NDDOT agrees with the finding and recommendation.

NDDOT replaced the VRTS system; the new system (STARS) became operational in June of 2016. Staff is able to balance daily to account for all funds. However, some program adjustments are necessary to fully reconcile with the bank account at the Bank of ND. Staff is closely working with IT and FAST Enterprises to fine tune the reconciliation process. We expect this finding will be fully resolved in the near future.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

SECTION III
FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

DEPARTMENT OF HEALTH

Finding 2016-001
VARIOUS FEDERAL AGENCIES
CFDA # Various
All programs with subrecipients

Questioned Cost: \$0

Condition:

The Department of Health did not ensure on a timely basis that all subrecipients were audited under either OMB Circular A-133 or 2 CFR 200 Subpart F, as applicable. For subrecipients that received federal funds during fiscal year 2014, A-133 audit reports for some subrecipients had not been received as of December 2016.

Criteria:

2 CFR 200.331(f) states that a pass-through entity must verify that every subrecipient is audited as required by 2 CFR 200 Subpart F.

Cause:

The Health Department is not reviewing the tracking of audits that is done to ensure that all subrecipients are in compliance with the requirement.

Effect:

The Health Department is not ensuring that required subrecipient audits are completed and that the subrecipients are taking timely and appropriate corrective action on deficiencies identified in audits.

Recommendation:

We recommend the Department of Health ensure all subrecipients obtain audits in accordance with 2 CFR 200 Subpart F if they meet the requirements.

Department of Health Response/Corrective Action Plan:

The Department agrees with the recommendation. The Department has taken steps to ensure subrecipients obtain audits in accordance with 2 CFR 200 Subpart F if they meet the requirements.

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

For the Fiscal Years Ended June 30, 2016 and 2015

DEPARTMENT OF HUMAN SERVICES

Finding 2016-002

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services has not completed the quarterly CMS-64 report since the September 2015 quarter.

Criteria:

42 CFR 430.30(c)(1) states the CMS-64 report is required to be submitted no later than 30 days after the end of each quarter.

Cause:

The Department of Human Services has been unable to access the necessary information from the new MMIS system.

Effect:

The Department of Human Services did not report expenditures to the federal government and reconcile MMIS with the state's accounting system, which is used to prepare the State of North Dakota Comprehensive Annual Financial Report.

Recommendation:

We recommend the Department of Human Services complete the CMS-64 report no later than 30 days after the end of each quarter.

Department of Human Services Response/Corrective Action Plan:

The Department is currently working to complete the outstanding CMS-64 reports. Once the Department has submitted reports from previous quarters, the CMS-64 reports will be completed no later than 30 days after the end of each quarter.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-003

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: Unknown

Condition:

The Program Integrity Unit sampling plan was not properly designed to identify suspected cases of fraud within the Medicaid Program. The sampling plan, as designed, does not provide adequate coverage of all claims processed. Additionally, the sampling plan developed by the Unit was not fully executed.

Criteria:

42 CFR 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.

The North Dakota Program Integrity Unit Sampling Plan outlines the type and frequency of audits to be performed.

Cause:

Failure to fully implement a prior single audit recommendation.

Effect:

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

Recommendation:

We recommend the Department of Human Services ensure the Program Integrity Unit designs a sampling plan that provides adequate coverage of all claims processed and fully executes the plan.

Department of Human Services Response/Corrective Action Plan:

The current audit sampling process was developed before the fruition of the federal Payment Error Rate Measurement (PERM) and Recovery Audit Contractor (RAC) audits. The Department wants to ensure its audit efforts are focused on current, relevant and “at risk” services. The Department will evaluate and revise the current process used to develop the Medicaid sampling plan; while continuing efforts to pursue federal auditing opportunities to ensure the most comprehensive approach to Medicaid auditing as possible.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-004

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: \$32,936

Condition:

The Medicaid eligibility systems do not have sufficient edit checks and system functionality to ensure eligibility determinations are proper.

The review 'pilots' performed by the Quality Control Unit for April 2014 thru March 2016 for the Medicaid program identified 108 of the 481 cases that had eligibility determination errors or deficiencies, an error rate of 22.45%.

Criteria:

The State Medicaid Agency or its designee is required to determine client eligibility in accordance with eligibility requirements defined in the approved State plan (42 CFR 431.10).

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

Errors made by eligibility workers are not detected by the eligibility system.

Effect:

The review pilots identified improper payments of \$32,936. An accurate projection of questioned costs were unable to be determined as the information needed to perform the projection was not required to be accumulated as part of the review pilot.

Recommendation:

We recommend the Department of Human Services develop system edit checks and improve system functionality to ensure eligibility determinations made for the Medicaid program are proper.

Department of Human Services Response/Corrective Action Plan:

Majority of the Quality Control Review 'pilot' errors were made using the MAGI in the Cloud and the Contingency Eligibility System. These systems were replaced in February 2016 with Release 1 of the new eligibility system (SPACES). With Release 2 of SPACES, all Medicaid eligibility will be determined in SPACES which will have additional checks and better system functionality which will help ensure eligibility determinations are proper.

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

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-005

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: Unknown

Condition:

The Department of Human Services has no assurance they have met the various Federal medical assistance percentages (FMAP) rates.

Criteria:

42 CFR 433.10 and 433.15 detail the use of FMAP rates.

Cause:

Reconciliations between the federal Medicaid expenditure report (CMS 64) and the state accounting system have not been completed.

Effect:

The Department does not have support to prove they met the matching requirement.

Recommendation:

We recommend the Department of Human Services implement controls to ensure they have met the various FMAP requirements.

Department of Human Services Response/Corrective Action Plan:

The Department will continue to complete the reconciliation between the federal Medicaid expenditure report (CMS 64) and the state accounting system timely upon completion of the CMS 64 certification.

Finding 2016-006

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778, 93.767

Medicaid Cluster and Children's Health Insurance Program

Questioned Cost: \$0

Condition:

The computer system (SPACES) used by the Department of Human Services to determine eligibility for Medicaid Affordable Care Act cases and the CHIP program does not have system edit checks in place to ensure the verification procedures are used in the eligibility determination process.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Criteria:

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

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

The SPACES system has the required verifications in place, but does not require their use before the eligibility determination is made.

Effect:

Incorrect eligibility determinations may be occurring.

Recommendation:

We recommend the Department of Human Services develop system edit checks within the SPACES system to ensure verifications are used in the eligibility determination process.

Department of Human Services Response/Corrective Action Plan:

The Department will review internal controls and system edit checks in SPACES and will provide reminders to county eligibility staff about verification procedures.

Finding 2016-007

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA # 93.777, 93.778, 93.767, 93.575, 93.596, 93.558

Medicaid Cluster, Children's Health Insurance Program, CCDF Cluster, and Temporary Assistance for Needy Families

Questioned Cost: \$0

Condition:

The Department of Human Services has not taken prompt action to implement prior audit findings. Twelve findings from prior Single Audits have not been implemented. The number of findings per program and the original issue dates of the findings are included below:

- Medicaid (6 findings) 2006(2), 2008(1), 2012(2), 2014(1)
- Children's Health Insurance Program (2 findings) 2014(2)
- Child Care Assistance Program (3 findings), 2008(1), 2012(2)
- Temporary Assistance for Needy Families (1 finding) 2014(1)

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Criteria:

45 CFR 75.303 (a) requires the non-Federal entity to establish and maintain effective internal control over the Federal award.

45 CFR 75.303 (d) requires the non-Federal entity to take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

Cause:

The Department has not developed appropriate solutions to address the instances of noncompliance and control weaknesses identified in prior audit findings.

Effect:

The Department continues to be out of compliance with statutes, regulations and the terms and conditions of the Federal awards resulting in possible additional questioned costs being charged to Federal programs.

Recommendation:

We recommend the Department of Human Services take prompt action to implement prior audit findings.

Department of Human Services Response/Corrective Action Plan:

The Department will continue to strive to implement all recommendations promptly, however implementation often includes; additional staff and monetary resources, legislative approval, further clarification of federal regulations, determination of the possibility or consideration of the economic feasibility to change the legacy systems which are being replaced, and consideration of the fact that as long as there are human beings processing eligibility and payments there will be human error.

Finding 2016-008

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: \$3,228

Condition:

Sixty potential duplicate payments were reviewed from both the Medicaid Management Information System (MMIS) Legacy and Health Enterprise systems. Testing identified 3 duplicate payments from the MMIS Legacy system and 8 duplicate payments from the Health Enterprise system.

Criteria:

45 CFR 75.403 states that to be allowable under Federal awards, a cost must be necessary and reasonable for the performance of the Federal award. Duplicate payments are neither necessary nor reasonable.

**STATE OF NORTH DAKOTA
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For the Fiscal Years Ended June 30, 2016 and 2015

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

System edit checks are not properly designed and working.

Effect:

The known questioned costs were \$2,742 for the MMIS Legacy duplicates and \$486 for the Health Enterprise duplicates.

The likely projected questioned costs were \$617,974 for the MMIS Legacy duplicates and \$240,597 for the Health Enterprise duplicates.

Recommendation:

We recommend the Department of Human Services strengthen controls to prevent duplicate payments.

Department of Human Services Response/Corrective Action Plan:

The Department is currently reviewing the Health Enterprise data setup and system edits that are designed to check for duplicate payments for the same service. Once the review is complete, the Department will work with the system vendor to make the necessary updates to the system to not allow duplicate claim payments for the same service.

Finding 2016-009
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare and Medicaid Services
CFDA # 93.777, 93.778
Medicaid Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services operating philosophy has resulted in deemphasizing the Program Integrity function which has limited the ability of Program Integrity to effectively safeguard against unnecessary or inappropriate payments for Medicaid services. The Department has not allocated available resources necessary to carry out its responsibilities. In addition to Program Integrity responsibilities, staff were also required to perform third party liability reviews, provider enrollment duties, and help with the implementation of the new Medicaid Management Information System (MMIS).

Criteria:

Standards for Internal Control in the Federal Government, Control Activities section, require policies and procedures to ensure management's directives are carried out. These include adequate management of human capital and segregation of duties.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Cause:

Management has permanently assigned other duties to Program Integrity that take away from its core responsibilities.

Effect:

Instances of fraud, waste, and abuse may go undetected by the Program Integrity function resulting in less available monies to those individuals truly in need. It was also noted that Program Integrity was unable to follow their sampling plan as addressed in a separate issue.

Recommendation:

We recommend the Department of Human Services ensure the Program Integrity function has adequately carried out its responsibilities and ensure effective safeguards are implemented to prevent unnecessary or inappropriate payments.

Department of Human Services Response/Corrective Action Plan:

A core responsibility of all staff that contribute to the Medicaid line of business was and is ensuring that the Medicaid Management Information System (MMIS) is working properly, which includes program integrity staff to ensure that claims processing is based on program policies to prevent unnecessary and inappropriate payments. Efforts needed for the implementation, certification, and ongoing operations of the MMIS are a responsibility of the all staff involved in Medicaid functions. Program Integrity staff have an important role in those functions to ensure that any enhancements or updates they recommend through the course of their audits and reviews are properly implemented in MMIS. To ensure the functions organized within the Medicaid Program Integrity Unit have appropriate separation of duties and adequate resources are assigned to each function (within the resources appropriated) the Medical Services Division will consult with the Centers for Medicare and Medicaid Services to review the organizational structure and assignments of the Medicaid Program Integrity Unit.

Finding 2016-010

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: Unknown

Condition:

The Department of Human Services (DHS) did not maintain the required eligibility documentation in the provider eligibility files including current license information, provider agreements, and eligibility checklists. Findings related to provider eligibility files have been issued in the previous four single audits.

Criteria:

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

42 CFR 455.100 - 455.106 discusses required disclosure of information by providers.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

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).

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

Failure to fully implement a prior single audit recommendation which was originally issued in the 2005-2006 single audit. Management indicated that all resources have been dedicated to implementing the new MMIS system for the State of North Dakota which resulted in DHS not updating the old system provider files. However, we noted when re-enrolling providers into the new MMIS system, controls were not in place to ensure provider eligibility was properly documented.

Effect:

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

Recommendation:

We recommend the Department of Human Services update 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:

The Department collects current licenses at the time of original enrollment. Once enrolled, licensed providers are part of the monthly screening conducted by the Department's Provider Screening Contractor. Through this screening, the Department is notified if a license has expired or is no longer in good standing. The Department has enrollment checklists for each provider type and specialty. A checklist is completed for each newly enrolling provider. During the re-enrollment of all providers as part of ND Health Enterprise MMIS implementation, some pre-existing Legacy providers were not required to submit a new provider agreement; however, all newly enrolling providers are required to submit a provider agreement (SFN 615). The Department will collect all required items at the time of initial enrollment and during the 5 year revalidation review. Items collected during enrollment and revalidation will be maintained in the provider file. Information, including provider license updates received from the monthly provider screening, will not be maintained in the files; however, each screening match file is stored so all provider information is available and searchable. The Department will continue to provide training and guidance to staff completing provider enrollment activities.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-011

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: Unknown

Condition:

The Department of Human Services does not have sufficient procedures in place to ensure facilities enrolled in the Medicaid program meet 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/IIDs (42 CFR part 442)."

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

Failure to fully implement a prior Single Audit finding. 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 all required facilities enrolled in the North Dakota Medicaid Program meet the prescribed health and safety standards and maintain documentation that the provider has met the standards on a yearly basis.

Department of Human Services Response/Corrective Action Plan:

The Department will work with the Centers for Medicare and Medicaid Services (CMS) to review and make necessary changes to procedures to ensure they are consistent with CMS requirements for Medicaid agency oversight of nursing facilities and ICF/IIDs to meet the prescribed health and safety standards.

**STATE OF NORTH DAKOTA
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For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-012

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: Unknown

Condition:

The procedures used to identify medical services that are the legal obligation of third parties are not sufficient.

Criteria:

42 CFR 433.138 requires the State agency to take reasonable measures to determine the legal liability of the third parties who are responsible to pay for services furnished.

Cause:

On October 5, 2015, the Department of Human Services began converting to the new Medicaid Management Information System (MMIS). The new system was unable to perform the data match with the vendor Health Management Systems.

Effect:

The Medicaid program may have paid for medical services that are the legal obligation of third parties.

Recommendation:

We recommend the North Dakota Department of Human Services ensure a sufficient third party liability data match process is in place to ensure the identification of medical services that are the legal obligation of third parties.

Department of Human Services Response/Corrective Action Plan:

Shortly after implementation of the new MMIS, the Department became aware of issues regarding the third party liability data match process. Change requests were submitted and have since been completed. On September 21, 2016, the Department sent Health Management Systems (HMS), a third party liability vendor, a file to check for third party liability of recipients that had any eligibility from October 5, 2015 to present. Therefore, the Department has identified any third party payer that may have been available and will adjust claims accordingly. The third party liability data match through HMS will also apply for future claims.

STATE OF NORTH DAKOTA
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For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-013

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services risk analysis for the Medicaid program did not include the required elements of personnel practices and a review of all ADP system security installations such as eligibility systems.

The Department of Human Services also failed to update the security plan for Medicaid. The security review needs to be updated to reflect any changes necessary for the new system or other changing security measures.

Criteria:

The OMB Circular A-133 Compliance Supplement requires that state agencies establish a security plan 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 95.621 lists the required elements of the security plan.

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 and security review.

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 establish a security plan and conduct a risk analysis of the Medicaid system and include all elements as required by the OMB Circular A-133 Compliance Supplement and 45 CFR 95.621.

Department of Human Services Response/Corrective Action Plan:

The Department will expand the Medicaid security plan and conduct a risk analysis of the Medicaid system in accordance with 45 CFR section 95.621.

STATE OF NORTH DAKOTA
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For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-014

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services did not submit drug rebate utilization data to CMS or mail invoices to manufacturers within 60 days after the end of the quarter. The non-compliance occurred during two quarters of the audit period for the CMS utilization file and three quarters of the audit period for invoices mailed to drug manufacturers.

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 delay in submitting the drug rebate utilization data and mailing drug rebate invoices was due to vendor complications and the implementation of the new MMIS system.

Effect:

Noncompliance with federal laws and regulations.

Recommendation:

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

Department of Human Services Response/Corrective Action Plan:

The Department no longer relies on vendors to submit the drug rebate utilization data, or mail invoices, therefore the Department will ensure all deadlines are met timely.

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

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-015

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.777, 93.778

Medicaid Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services did not report the interest liability accrued for the 2015 Medicaid grant to the North Dakota Office of Management and Budget for inclusion into the 2015 Annual Report submitted to the Department of the Treasury. The interest not reported for 2015 totaled \$8,130.

Criteria:

31 CFR 205.26 requires states to submit an Annual Report for State and Federal interest liabilities of the State's most recently completed fiscal year.

Cause:

The Department of Human Services does not have sufficient procedures in place to ensure all interest liabilities are being paid and reported to the Federal government.

Effect:

The proper amount of State interest liabilities was not reported and paid to the Federal government in the correct annual report.

Recommendation:

We recommend the Department of Human Services implement procedures to ensure all interest liabilities are properly reported to the North Dakota Office of Management and Budget for inclusion into the Annual Report submitted to the Department of the Treasury.

Department of Human Services Response/Corrective Action Plan:

The Department will work with the North Dakota Office of Management and Budget to ensure interest liabilities are properly reported.

STATE OF NORTH DAKOTA
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For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-016

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.767

Children's Health Insurance Program

Questioned Cost: \$13,878

Condition:

The information systems used by the Department of Human Services to perform Children's Health Insurance Program 'CHIP' eligibility determinations do not have sufficient edit checks and system functionality to ensure eligibility determinations are proper.

The review pilots performed by the Quality Control Unit for April 2014 through March 2016 for the CHIP program identified 67 cases out of 190 active cases that had incorrect eligibility determination errors or deficiencies, an error rate of 35.26%.

Criteria:

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

Section 4 of North Dakota's Children's Health Insurance Program State Plan details the eligibility requirements of the North Dakota CHIP program.

Cause:

Failure to implement a prior single audit recommendation.

Effect:

The review pilots identified improper payments of \$13,878. An accurate projection of questioned costs was unable to be determined as the information needed to perform the projection was not required to be accumulated as part of the review pilot.

Recommendation:

We recommend the Department of Human Services develop system edit checks and improve system functionality to ensure eligibility determinations made for the CHIP program are proper.

Department of Human Services Response/Corrective Action Plan:

A majority of the Quality Control Review 'pilot' errors were made using the MAGI in the Cloud and the Contingency Eligibility System. These systems were replaced in February 2016 with Release 1 of the new eligibility system (SPACES). With Release 2 of SPACES, all Medicaid eligibility will be determined in SPACES which will have additional checks and better system functionality which will help ensure eligibility determinations are proper.

STATE OF NORTH DAKOTA
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For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-017

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 93.767

Children's Health Insurance Program

Questioned Cost: \$0

Condition:

The Department of Human Services did not perform procedures to ensure amounts reported on the federal expenditure report (CMS 21) reconcile to the State's accounting records.

Criteria:

Principle 10 of the Green Book states transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.

Cause:

The Department of Human Services implemented a new Medicaid Management Information System (MMIS) which caused the reconciliation process to stop.

Effect:

Errors in financial reporting may go undetected.

Recommendation:

We recommend the Department of Human Services implement procedures to ensure the federal expenditure report (CMS 21) reconciles to the State's accounting records.

Department of Human Services Response/Corrective Action Plan:

The Department will complete the reconciliation between the federal expenditure report (CMS 21) and the state accounting system timely upon CMS 21 report certification.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-018

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: \$6,420

Condition:

The Department of Human Services did not properly determine eligibility in 17 of 60 child care assistance cases reviewed. Each of the cases had one or more of the following errors: missing birth records, insufficient income verifications, no TANF employability plan indicating child care necessary, incorrect income calculations or improper input of a child's birthdate. The errors resulted in improper payments totaling \$6,420. When projected against the entire population, the projected error is \$3,577,547.

Criteria:

45 CFR 98.68(c) states that lead agencies must have procedures in place for documenting and verifying eligibility.

45 CFR 98.45(k) 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.

45 CFR 98.20(a) states that children must be under age 13, who reside with a family whose income does not exceed 85 percent of State/territorial/tribal median income for a family of the same size, and reside with a parent who is working or attending a job training or education program; or are in need of, or are receiving protective services. Lead agencies may choose to provide services during period of job search.

Cause:

The checklist developed by the department does not contain necessary verifications such as proper documentation to accurately determine eligibility and is not used consistently. In addition, data entry and income calculations were not being completed consistently and accurately.

Effect:

Unallowable payments were made to providers on behalf of individuals whose eligibility for the Child Care Assistance Program were not proper.

Recommendation:

We recommend the Department of Human Services:

1. develop and implement controls to ensure that all eligibility workers are collecting and maintaining all applicable information for Child Care Assistance eligibility determinations, and
2. properly determine eligibility for individuals receiving Child Care Assistance and issue payments that comply with requirements set in the Code of Federal Regulations for Child Care Development Funds.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Department of Human Services Response/Corrective Action Plan:

The county eligibility workers are responsible for collecting and maintaining all applicable information for Child Care Assistance eligibility determinations as defined in Department policy and are responsible for determining eligibility for individuals receiving Child Care Assistance. The Department will continue to train county eligibility workers and Quality Assurance staff will continue to review case files to ensure documents are maintained and eligibility is properly determined and benefit payments are properly calculated. The Department will work with our federal partners to determine the amount of federal funds that may have been paid in error.

Finding 2016-019

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: \$991

Condition:

The Department of Human Services issued payments to providers without proper evidence supporting the number of child care hours to be paid. Three of 60 cases reviewed did not have proper support. In two cases, there were no daycare billing forms identifying the number of hours a child was provided care and the number of hours a parent participated in an allowable activity. In an additional case, the daycare billing form did not show the number of hours a parent participated in an allowable activity. These errors totaled \$991 of unallowable payments that were issued to providers. When projected against the entire population, there is a possible error of \$1,926,820.

Criteria:

45 CFR 98.20(a) states that children must be under age 13, who reside with a family whose income does not exceed 85 percent of State/territorial/tribal median income for a family of the same size, and reside with a parent who is working or attending a job training or education program; or are in need of, or are receiving protective services. Lead agencies may choose to provide services during periods of job search.

Cause:

The procedures for collection of payment support prior to payment issuance is not consistent between counties.

Effect:

The Department issued payments that were unallowable under Child Care Development Fund requirements.

Recommendation:

We recommend the Department of Human Services issue payments for Child Care Assistance only after receipt of a completed daycare billing form identifying the number of hours a child received care and corresponding hours a parent participated in an allowable activity.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Department of Human Services Response/Corrective Action Plan:

The county eligibility worker is responsible to input all child care billing information and hours in the child care assistance system. The Department issues payments based on the information entered by the county. The Department will continue to train county eligibility workers and Quality Assurance staff will continue to review case files to ensure supporting documents are maintained and benefit payments are properly calculated.

Finding 2016-020

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: Unknown

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;
- Number sequences can be used rather than social security numbers;
- Same child can be entered with first and last name switched;
- State rate is calculated on a per payment basis not a per month basis;
- Payments can be made to multiple providers in one month on behalf of one child;
- Exception reports are not generated and reviewed; and
- Warning messages can be overridden and additional payments issued.

Criteria:

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

Cause:

There is a lack of built-in system controls in the Child Care Assistance System to prevent duplicate and other improper payments. Failure to implement a prior single audit recommendation.

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.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Department of Human Services Response/Corrective Action Plan:

The Department is aware of limitations within the Child Care payment system. System changes were implemented to help prevent duplicate and other improper payments. The Department will continue to make current system changes that are economically feasible. The new eligibility system scheduled to be implemented in fall 2017 will have additional controls in place to help detect and prevent duplicate and other improper payments.

Finding 2016-021

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: \$247,723

Condition:

The Department of Human Services issued Child Care Assistance payments to providers that were improperly licensed. The department requires that an individual is either an approved relative, self-declared, or licensed child care provider in order to receive payments. Forty-three of 59 providers reviewed were determined as improperly licensed. These providers received \$247,723 in payments during the periods of improper licensure.

Criteria:

North Dakota Administrative Code 75-02-01.3-10 states that the caretaker of each eligible child who receives or is offered child care services for which financial assistance is provided through the child care and development fund may choose the approved relative provider, registrant, holder of a self-declaration, or licensed provider of services to that child.

Department of Human Services Child Care Assistance Policy Manual section 400-28-105-25 states that the household's provider must be licensed (including military, tribal and out-of-state), self-declaration, or an approved relative provider. The license must be current and have an expiration date later than the date of Child Care Assistance Providers application.

Cause:

The Department has not designed consistent procedures to ensure licensing applications include all required documents. In addition, they rely on the licensing process and do not perform sufficient independent verifications that payments are issued to properly licensed providers.

Effect:

Payments are being issued to child care providers that are not eligible to receive them.

Recommendation:

We recommend the Department of Human Services ensure that child care providers have met all necessary licensing requirements prior to issuing Child Care Assistance payments.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Department of Human Services Response/Corrective Action Plan:

The Department has been working on administrative rule revisions based on recommendations from the Governor's Advisory Committee on Child Care Licensing Process to address timelines for licensing and relicensing child care providers. If approved, this rule would be effective July 2017 and will ensure the effective date of the license will not occur until all documentation is received and reviewed by the DHS regional office. The Department will use existing provisional licensing authority when situations allow and will work with our federal partners to determine the amount of federal funds that may have been paid in error.

Finding 2016-022

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: \$3,843

Condition:

The Department of Human Services issued duplicate payments to child care providers receiving payments from the Child Care Assistance program. A total of seven duplicate payments were identified during testing. These payments totaled \$3,843.

Criteria:

45 CFR 75.403 states that to be allowable under Federal awards, a cost must be necessary and reasonable for the performance of the Federal award. Duplicate payments are neither necessary nor reasonable.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

The Department does not have proper procedures in place to detect and prevent duplicate payments from being issued.

Effect:

The Department issued payments that were not allowable under the Child Care Development Block Grant. The Department has since recouped all but \$300.

Recommendation:

We recommend the Department of Human Services develop and implement procedures to detect and prevent duplicate payments from being issued under the Child Care Assistance Program.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Department of Human Services Response/Corrective Action Plan:

The Department submitted work orders to resolve the duplicate payment issues noted during the last audit and has submitted work orders to resolve the two new issues that caused the duplicate payments noted above and has started the process of recouping the \$300. The new eligibility system scheduled to be implemented in fall 2017 will have additional controls in place to help detect and prevent duplicate payments.

Finding 2016-023

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: Unknown

Condition:

The Department of Human Services has not developed methods for detecting potential fraud in the Child Care Assistance program. We identified multiple instances that could potentially result in fraud to occur and go undetected. Individuals are allowed to use number sequences other than social security numbers which would allow a child or parent to be included in multiple cases and not be detected by system edits. Also, parents with split custody are each allowed to receive assistance; however, there are no reviews to ensure that the program is not paying twice for care provided to children in common. Currently, the potential fraud is identified through the fraud hotline or inconsistencies found by the county workers while determining eligibility.

Criteria:

45 CFR 98.60 states that 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.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

The Department has not identified situations that would allow for fraud to occur in the Child Care Assistance Program. In addition, they have not developed methods for isolating payments made in these situations or ways to verify whether they are fraudulent.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Effect:

The Child Care Assistance program could be issuing payments as a result of fraudulent activity by providers or assistance recipients. These payments could occur without detection.

Recommendation:

We recommend the Department of Human Services develop methods to detect potentially fraudulent Child Care Assistance payments.

Department of Human Services Response/Corrective Action Plan:

The Department will continue to make current system changes that are possible and economically feasible. The Department's new eligibility system scheduled to be implemented in fall 2017 will include additional controls to help detect potentially fraudulent payments.

Finding 2016-024

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: Unknown

Condition:

The Department of Human Services does not have adequate sampling methods for selecting Child Care Assistance eligibility case files to be reviewed. The Department does not use a risk based approach to make sure that counties with consistent errors are adequately reviewed in each sample and that each county is reviewed over a specified period of time. In addition, the sample selection relies on the use of the county number assigned to each case. During testing, it was noted that the county number identified to cases was not indicative of their actual location.

Criteria:

45 CFR 98.11 states that lead agencies shall ensure that sub-grantees that determine individual eligibility operate according to rules established by the program.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

The Department has not properly assessed risks and developed their sampling plan to address these risks.

Effect:

Counties could be improperly determining eligibility for the Child Care Assistance program and it would go undetected.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Recommendation:

We recommend the Department of Human Services develop adequate sampling methods of the selection of Child Care Assistance eligibility files. Methods should include addressing identified risks and ensuring each county is reviewed over a specified time.

Department of Human Services Response/Corrective Action Plan:

The Department will enhance the current sampling methodology used to select Child Care Assistance files to include a risk assessment. Also the SPACES eligibility system will be implemented in the Fall of 2017 and will have the capability of maintaining an address history which will assist when households move in providing documentation that each county has been reviewed over a specified time period.

Finding 2016-025

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services' monitoring procedures of the county licensors of child care providers is ineffective. The Department's regional supervisors perform procedural reviews of county licensor activities. The selection procedures do not include assurance that all county licensors are reviewed. In addition, errors identified during our testing indicate these reviews are clearly ineffective at identifying material weaknesses and inconsistencies. These errors include nonperformance of unannounced visits, lack of monitoring of corrective orders, and improperly licensing providers.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

The Department's Early Childhood Services Quality Assurance Policy (620-01-20-20) requires the regional office to perform random provider reviews on an annual basis with the authorized agent.

Cause:

The Department has not designed monitoring procedures to carry out the purpose of licensing early childhood service providers to safeguard the health, safety, and development of children. There is an improper balance between ensuring quality of child care and supporting child care providers to become licensed or continue operating without meeting minimum requirements.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Effect:

Child care providers are operating without complying with licensing requirements and proper monitoring of health and safety conditions jeopardizing the health and safety of children.

Recommendation:

We recommend the Department of Human Services perform effective monitoring procedures to ensure all functions of the Child Care Assistance program are properly completed including monitoring correction orders, completing unannounced visits, and properly licensing providers.

Department of Human Services Response/Corrective Action Plan:

The Department will review the current Early Childhood Services Quality Assurance Policy and make necessary changes to ensure county licensors are properly monitored.

Finding 2016-026

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: Unknown

Condition:

The Department of Human Services is not properly monitoring corrective orders issued to child care providers and performing re-inspections of identified deficiencies. Forty-five of 508 (8.9%) corrective orders on the department's tracking list during calendar years 2015 and 2016 did not identify a date the orders were determined to be corrected.

Criteria:

North Dakota Century Code (NDCC) section 50-11.1-07.2 requires that the Department or the Department's authorized agency issue a correction order whenever it is determined upon inspection that a program or premises is not in compliance with this chapter or rules adopted under this chapter.

NDCC section 50-11.1-07.3 requires the Department or the Department's authorized agent shall re-inspect an early childhood program issued a correction order under NDCC section 50-11.1-07.2, at the end of the period allowed for correction.

Cause:

The Department's method for tracking the resolution of corrective orders is ineffective.

Effect:

Child care providers are operating without proper follow-up of corrective orders jeopardizing the health and safety of children.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Recommendation:

We recommend the Department develop effective tracking methods to ensure corrective orders are resolved.

Department of Human Services Response/Corrective Action Plan:

The Department will enhance procedures for tracking corrective orders to ensure work performed surrounding the resolution is documented and adequately maintained.

Finding 2016-027

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services is not performing annual unannounced inspections of all licensed and self-declared child care providers in operation. Of the 58 provider licenses tested, the following instances were noted:

- Sixteen providers did not have proper unannounced inspections annually; and
- Five additional providers had partially completed documentation of the unannounced inspection requirements.

Criteria:

The Department's Policy for Unannounced Visits (620-01-116) dated October 1, 2014, states "The authorized agent is required to perform an unannounced review at least annually for each licensed or self-declared child care provider."

Cause:

The Department's procedures for ensuring unannounced visits are performed annually by county licensors are ineffective.

Effect:

Child care providers are operating child care facilities without proper monitoring of whether health and safety conditions have been met.

Recommendation:

We recommend the Department of Human Services perform annual unannounced inspections of licensed and self-declared child care providers in operation as required by Department policy.

Department of Human Services Response/Corrective Action Plan:

The Department will enhance procedures to ensure unannounced inspections done by the county licensors are performed in accordance with Department policy.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-028

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: Unknown

Condition:

The Department of Human Services does not require county eligibility workers to verify whether an individual receives child support income for all eligibility determinations. The department has access to verify child support orders through ND Verify for any case processed for the Child Care Assistance program. However, this verification is only reviewed if the applicant indicates child support is received as a form of unearned income. The department does not make an assessment determining if child support is applicable or if the individual is receiving payment on an established child support order.

Criteria:

The Department of Human Services Child Care Assistance Policy manual section 400-28-15-15 states that verifications of all income received by the family, to include all earned, unearned, and self-employment income are mandatory.

45 CFR 98.68(c) states that lead agencies must have procedures in place for documenting and verifying eligibility.

Cause:

The Department has given directive to county eligibility workers to only verify child support in cases where it is indicated as being received.

Effect:

Individuals may be receiving payments when they are ineligible or may not be paying the proper cost sharing portion. In addition, individuals have the ability to fraudulently under report income which would go undetected.

Recommendation:

We recommend the Department of Human Services verify whether or not child support is received when making all eligibility determinations.

Department of Human Services Response/Corrective Action Plan:

With Release 2 of the new SPACES eligibility system, ND Verify will be integrated into the system. Because of the integrated eligibility system, at the time of application and review, SPACES will provide an alert to notify staff to verify child support income.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-029

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 93.596

CCDF Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services is not ensuring providers comply with all health and safety requirements as defined in North Dakota Administrative Code. The checklists used by county licensors, when conducting on-site licensing studies and annual reviews of in-state providers, do not contain all necessary health and safety requirements. The licensing study does not include verification that immunizations are appropriate for the child's age. The annual review does not include inspection of unprotected wells, flammable materials, and minimum space requirements. Additional sanitation requirements for restroom and kitchen areas were also not included in inspection materials.

Criteria:

45 CFR 98.41 states that Lead Agencies must certify that procedures are in effect to ensure that child care providers of services for which assistance is provided under the Child Care Assistance Program comply with all applicable health and safety requirements.

The requirements of Child Care providers are documented in the North Dakota Administrative Code sections. Each provider type has a specific section. The sections are as follows: Self Declaration (75-03-07.1), School Age Child Center (75-03-11.1), Family Child Care (75-03-08), Child Care Center (75-03-10), Preschool (75-03-11) and Group Child Care (75-03-09).

Cause:

The Department did not properly assess all health and safety standards and ensure all requirements are being met by each provider.

Effect:

Child care providers may be operating without complying with health and sanitation requirements, potentially jeopardizing the health and safety of children.

Recommendation:

We recommend the Department of Human Services ensure child care providers are meeting all health and safety standards required to be licensed.

Department of Human Services Response/Corrective Action Plan:

The Department will review and make necessary changes to the checklists to ensure the providers are in compliance with North Dakota Administrative Code and Department policies.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-030

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.575, 95.596

CCDF Cluster

Questioned Cost: Unknown

Condition:

The Department of Human Services does not have a mechanism for tracking all potential instances of fraud in the Child Care Assistance Program. Any instance of potential fraud is forwarded to the county workers to investigate. The Department only receives documentation on those that the county determined to be an Intentional Program Violation (IPV), which is their classification of fraud. There is no record of situations that the county said were not fraudulent. Instances that are not determined to be fraud are not monitored by the Department.

Criteria:

45 CFR 98.60 states lead agencies shall recover child care payments that are the result of fraud. These payments shall be recovered from the party responsible for committing the fraud.

Section 6 of the Compliance supplement states that management follows up on irregularities and deficiencies to determine cause.

Cause:

The Department did not develop a method to track all instances of potential fraud. In addition, there are no procedures to monitor potential fraud to ensure that county workers are properly classifying each instance and recouping all fraudulent payments.

Effect:

The Department is unable to adequately monitor potential fraud to ensure that all instances are properly classified and any potential improper payments are recouped. There is potential for fraud to go without being identified or recouped.

Recommendation:

We recommend the Department of Human Services develop a tracking mechanism for all instances of potential fraud in the Child Care Assistance Program. In addition, we recommend the Department develop procedures for monitoring the classification and recoupment of fraudulent activity.

Department of Human Services Response/Corrective Action Plan:

The Department will consider the feasibility of developing a tracking mechanism to record every phone call, email or concern received at the county that is not already being tracked by the Department's current fraud referral process or current IPV process.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-031

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.658

Foster Care – Title IV-E

Questioned Cost: \$29,629

Condition:

The Department of Human Services did not properly determine eligibility for the Foster Care program in four of 40 cases reviewed. Each case had one of the following errors: incomplete Emergency Assistance Application (SFN38), no income verification calculation documented on the Income Calculation Worksheet (SFN873), improper match code identified, or no eligibility determination documents. These errors resulted in \$29,629 of payments made to ineligible recipients. When projected to the entire population, the projected error is \$860,060.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

42 USC 672 describes the eligibility and placement requirements under the Foster Care program.

Cause:

The checklist developed by the department to ensure collection of all documentation necessary for determining eligibility is not being used consistently. In addition, data entry of the match code was not accurate.

Effect:

Improper payments were made.

Recommendation:

We recommend the Department of Human Services:

1. Implement statewide usage of the summary checklist that has been designed by the department to ensure that all eligibility workers are collecting and maintaining all applicable information for eligibility determinations
2. properly determine eligibility for individuals within the Foster care program and issue proper payments based on the eligibility determinations.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Department of Human Services Response/Corrective Action Plan:

The Department will continue to train the counties and reiterate current policy that they collect and maintain appropriate supporting documentation for all eligibility determinations made for Foster Care and will consider requiring that all counties use the summary checklist or implement other controls as deemed necessary. The Department will also work with the counties to ensure proper payments are issued within in the Foster Care program. The Department will work with our federal partners to determine the amount of federal funds that may have been paid in error.

Finding 2016-032

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.658

Foster Care – Title IV-E

Questioned Cost: \$492

Condition:

The Department of Human Services does not maintain proper supporting documentation for irregular maintenance payments under the Foster Care program. Fourteen out of 40 irregular maintenance payments reviewed did not include proper verification that childcare providers were licensed for the time period the child care service was provided.

An additional four of the 40 irregular maintenance payments reviewed were improper and did not agree to receipts or were for items unallowable as irregular maintenance payments. These four improper payments totaled \$492. These errors projected to the population indicated a total possible error of \$102,616.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Department of Human Services Foster Care Maintenance Payments manual section 623-05-30-20 states: "For foster care reimbursement, child care must be provided by a provider that is licensed, certified, or has some other formal status under early childhood regulations. In North Dakota, the status is licensed, certified, registered, or approved relative to the foster child."

Department of Human Services Foster Care Maintenance Payments manual section 623-05-25-10 Chart B provides a summary of what is allowable as an irregular maintenance payment and what is not.

Cause:

The county eligibility worker did not follow policies that are in place.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Effect:

Irregular payments may be unallowable, inaccurate, or fraudulent.

Recommendation:

We recommend the Department of Human Services ensure all irregular payments for the Foster Care program are proper and include proper supporting documentation.

Department of Human Services Response/Corrective Action Plan:

The Department will continue to train the counties and reiterate current policy that they properly pay, collect, and maintain appropriate supporting documentation for all irregular payments made for Foster Care.

Finding 2016-033

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.658

Foster Care – Title IV-E

Questioned Cost: \$5,095

Condition:

The Department of Human Services Foster Care Program did not set up recoupment for overpayments made to providers. Our review identified 8 out of 21 overpayments that did not have a recoupment set up which totaled \$4,651 in payment errors. The errors when projected to the population, totaled \$33,818 of possible overpayments. An additional 5 overpayments with no recoupment set up were identified outside of sampling which totaled \$444 in payment errors.

Criteria:

2 CFR section 200.405 states that a cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

The eligibility worker failed to review the system generated alert that they receive when a new placement is entered for a foster care case and change the prior month payment accordingly.

Effect:

Unallowable payments were made from the Foster Care Program.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Recommendation:

We recommend the Department of Human Services Foster Care program ensure recoupment is set up for all overpayments made to providers by reviewing system generated alerts.

Department of Human Services Response/Corrective Action Plan:

The Department has set up recoupments for 7 of the 8 identified errors and did a stop payment on the 8th error. The Department will continue to train the counties and reiterate current policy in regards to setting up recoupments made to providers. The Department will also review current policies and make changes as necessary to ensure recoupments for the Foster Care program are set up for all overpayments.

Finding 2016-034

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.658

Foster Care – Title-IV-E

Questioned Cost: \$0

Condition:

The Department of Human Services subrecipient monitoring procedures for the Foster Care program are inadequate. There were instances where counties did not return their Corrective Action Verification Sheet (CAVS) to the Central Office timely and there was inadequate tracking that the CAVS were received timely. Also, the State is not ensuring that all errors found during subrecipient monitoring activities were corrected appropriately.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Department of Human Services Foster Care Eligibility Policy Manual 447-10-18 states: "Feedback will be provided to the financial county within 30 days following the audit. If an error is discovered, the State Review Team will provide the financial county with an explanation of the error and instructions on how to correct the error, if applicable. The financial county must rectify correctable errors within 30 days from notification. The financial county must provide the State Review Team with documentation of the corrective action and the date of completion."

Cause:

The Foster Care program does not follow policies that have been implemented for subrecipient monitoring. Also, these policies fail to include procedures on how to ensure all errors during subrecipient monitoring were resolved.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Effect:

Subsidy payments may be unallowable, inaccurate, or fraudulent due to missing supporting documentation or improper eligibility determination.

Recommendation:

We recommend the Department of Human Services strengthen procedures surrounding subrecipient monitoring for the Foster Care program.

Department of Human Services Response/Corrective Action Plan:

The Department will strengthen procedures surrounding subrecipient monitoring

Finding 2016-035

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.658

Foster Care – Title-IV-E

Questioned Cost: \$0

Condition:

The Department of Human Services did not properly approve level IV excess maintenance payments for the Foster Care program. For three of 15 payments tested, the regional supervisor did not discuss the request with the Foster Care Administrator prior to approval. In addition, the Department does not require that level IV excess maintenance payments to out-of-state providers be discussed with the Foster Care Administrator prior to approval.

Criteria:

Department of Human Services Foster Care Maintenance Payments Manual 623-05-30-30 states: "The regional supervisor discusses the Level IV excess payment (EMP) request with the Foster Care Administrator prior to approval. A determination will be made based upon the pertinent facts surrounding the request for increased compensation. It must involve a substantial physical, emotional, or behavioral problem, which has also been thoroughly discussed during the permanency planning process. The approval from the regional supervisor must include the amount of the Level IV, start and stop dates and the name of the family foster care provider. The stop date should not exceed the court order date or the end of the biennium, whichever is earlier. The EMP must be approved in writing by the regional supervisor and state office prior to making payment."

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Cause:

The Foster Care program personnel did not keep the support for the proper approval. The Central Office was relying on the approval of the Regional Supervisor for level IV excess maintenance payments to out of state providers.

Effect:

The lack of proper approval may result in level IV excess maintenance payments being issued for an individual that may not meet the need of the payment.

Recommendation:

We recommend the Department of Human Services properly approve all level IV excess maintenance payments for the Foster Care program.

Department of Human Services Response/Corrective Action Plan:

The Department will ensure all level IV excess maintenance payments are properly approved in accordance with Department policy.

Finding 2016-036

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.658, 93.659

Foster Care – Title IV-E

Adoption Assistance

Questioned Cost: \$0

Condition:

High risk accounting entries that adjust revenue and expenditures for the Adoption Assistance program and the Foster Care program are not being reviewed and approved by an appropriate individual.

For the Adoption Assistance program, ten of 13 adjusting entries were not properly approved by someone with direct knowledge of the Adoption Assistance program.

For the Foster Care program, six of 12 adjusting entries were not properly approved by someone with direct knowledge of the Foster Care program.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Cause:

The Department believes that any person on the Children and Family Services management team can review and approve high risk adjusting entries even though they do not have a direct knowledge of the Adoption Assistance or Foster Care programs.

Effect:

Accounting transactions adjusted within the state's accounting system may violate Federal compliance requirements and go undetected in the approval process since there is not a knowledgeable individual of the program reviewing and approving the adjustment.

Recommendation:

We recommend the Department of Human Services ensure high risk accounting entries that adjust revenues and expenditures are reviewed and properly approved by an individual with direct knowledge of the affected programs.

Department of Human Services Response/Corrective Action Plan:

The Department will review procedures to ensure high risk accounting entries that adjust revenues and expenditures are properly approved.

Finding 2016-037

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.659

Adoption Assistance

Questioned Cost: \$187,781

Condition:

The Department of Human Services does not have adequate processes to ensure the eligibility determinations made were proper for 11 of 40 cases selected for testing in the Adoption Assistance program. The weaknesses included:

- lack of maintaining proper documentation to support eligibility determination. Documentation missing included initial removal court orders or SFN 869 Title IV-E Initial Eligibility forms prepared by the county.
- lack of maintaining proper documentation for subsidy payments. When foster care payments were made to a third party who then pays the foster family, we were unable to determine if the subsidy payment made did not exceed what would have been paid to the child in foster care.
- the subsidy amount paid was not verified that it agreed to the Subsidized Adoption Agreement.

Subsidy payments of \$187,781 were made to ineligible recipients during the audit period which, when projected to the population, project to \$348,568 of possible overpayments made during the audit period.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Criteria:

Department of Human Services Subsidized Adoption Policies and Procedures Manual 617-05-20-35 states: "The role of the child- placing agency is to compile a packet of information to support the adoptive family's application for subsidy and forward to the county social service office in the adoptive parents' county of residence when the family is ready to make application. This packet will include the adoption assessment (home study), termination of parental rights order, medical/ social history of birth parents, medical/ social history of the child that verifies the special needs of the child, copies of any SFN 1865 – Specialized Family Foster Care/ Adoption Assistance Level of Care Evaluation Forms that have been completed on behalf of the child, copy of the child's birth certificate, completed SFN 1084 and any other information that would assist in the negotiation."

42 USC 673(a)(3) states: "However, in no case may the amount of the adoption assistance payment made under clause (ii) of paragraph (1)(B) exceed the foster care maintenance payment which would have been paid during the period if the child with respect to whom the adoption assistance payment is made had been in a foster family home."

45 CFR Part 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

The Adoption Assistance case files went through a conversion process from paper files to electronic files during the audit period. This created the possibility for paper documents to be missed during the scanning process or scanned into the wrong case file. Also, the Department has an inadequate process for tracking missing documentation from the county during the final eligibility determination review.

Effect:

Subsidy payments may be unallowable, inaccurate, or fraudulent due to missing supporting documentation.

Recommendation:

We recommend the Department of Human Services Adoption Assistance program strengthen processes surrounding eligibility determination to ensure determinations are made properly and sufficient documentation is maintained.

Department of Human Services Response/Corrective Action Plan:

The Department implemented an electronic filing system during the audit period and contracted with a vendor to scan all documents. Department staff is now scanning the current files and will ensure all documentation necessary to make eligibility determinations are scanned and indexed consistently. The Department will work with our federal partners to determine the amount of federal funds that may have been paid in error.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-038

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.659

Adoption Assistance

Questioned Cost: \$12,188

Condition:

The Adoption Assistance program does not have a process in place to ensure all necessary documentation is received from the county to perform the annual subsidy reviews. Two of 40 cases tested did not have proper support for increases in subsidies, resulting in a known error of \$12,188.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

42 USC 673(a)(3) states: The amount of the payments to be made in any case under clauses (i) and (ii) of paragraph (1)(B) shall be determined through agreement between the adoptive parents and the State or local agency administering the program under this section, which shall take into consideration the circumstances of the adopting parents and the needs of the child being adopted, and may be readjusted periodically, with the concurrence of the adopting parents (which may be specified in the adoption assistance agreement), depending upon changes in such circumstances.

Cause:

A checklist was created and is available for the annual subsidy review, but it is not being utilized.

Effect:

The lack of a process for annual subsidy reviews may result in subsidy payments being unallowable, inaccurate, or fraudulent due to missing supporting documentation.

Recommendation:

We recommend the Department of Human Services use the available checklist to ensure proper documentation is being received for annual subsidy reviews for the Adoption Assistance program.

Department of Human Services Response/Corrective Action Plan:

The Department will utilize the checklist to ensure proper documentation is being received for annual subsidy reviews for the Adoption Assistance Program.

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Finding 2016-039

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.659

Adoption Assistance

Questioned Cost: Unknown

Condition:

The Department of Human Services does not have proper supporting documentation for the calculation of state funds saved on the Adoption Assistance program for the Fostering Connections Act of 2008. Children adopted that would normally have a 100% state funded subsidy payment can now qualify for a 50% match of federal funds for the subsidy payment if the child meets criteria created by the Federal government. The 50% state funds saved during this process are to be used on child welfare services and post-adoption services. There was no supporting documentation for the case count used in the calculation. Also, expenditures that were used in the calculation could not be agreed to accounting records.

Criteria:

Section 473(a)(8) of the Social Security Act states: A State shall calculate the savings (if any) resulting from the application of paragraph (2)(A)(ii) to all applicable children for a fiscal year, using a methodology specified by the Secretary or an alternate methodology proposed by the State and approved by the Secretary. A State shall spend an amount equal to the amount of the savings (if any) in State expenditures under this part resulting from the application of paragraph (2)(A)(ii) to all applicable children for a fiscal year, to provide to children of families any service that may be provided under part B or this part. A State shall spend not less than 30 percent of any such savings on post-adoption services, post-guardianship services, and services to support and sustain positive permanent outcomes for children who otherwise might enter into foster care under the responsibility of the State, with at least two-thirds of the spending by the State to comply with such 30 percent requirement being spent on post-adoption and post-guardianship services.

Cause:

The Department of Human Services did not use the correct data to calculate the savings.

Effect:

There is the potential of overspending or underspending state funds on other areas of child welfare services including the 30% required to be spent on post-adoption services.

The savings amount reported on the CB-496 Federal Report from December 31, 2015 is incorrect.

Recommendation:

We recommend the Department of Human Services have proper supporting documentation for the calculation of state funds saved on the Adoption Assistance program for the Fostering Connections Act of 2008.

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Department of Human Services Response/Corrective Action Plan:

The Department will maintain proper supporting documentation when calculating state funds saved on the Adoption Assistance Program for the Fostering Connections Act of 2008.

Finding 2016-040

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.563

Child Support Enforcement

Questioned Cost: Unknown

Condition:

The Department of Human Services, Child Support Enforcement program, does not complete a timely final reconciliation of amounts reported to the Administration for Children and Families to the State's accounting system at the end of each grant within a reasonable timeframe. As of the end of our audit period, the most recent grant period that has been fully reconciled is federal fiscal year 2005.

Criteria:

According to "Standards for Internal Control in the Federal Government":

- Control activities, including reconciliations, are developed to confirm transactions and events are valid. (GAO-14-704G para. 10.01, 10.10)
- Transactions must be promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. (GAO-14-704G para. 10.03 Accurate and timely recordings of transactions)

Cause:

The Department indicated the reconciliation process is cumbersome and takes more time to complete than is available.

Effect:

The untimeliness of this reconciliation has caused noncompliance with matching requirements, cash management errors, incorrect amounts recorded on prior year SEFAs, and inaccurate accounting records.

Recommendation:

We recommend the Department of Human Services, Child Support Enforcement program, complete a final reconciliation of amounts reported to the Administration for Children and Families to the State's accounting system within a reasonable timeframe after the end of each grant period.

Department of Human Services Response/Corrective Action Plan:

The Department will complete the final reconciliations of grants for the Child Support program within a reasonable timeframe.

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Finding 2016-041

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.563

Child Support Enforcement

Questioned Cost: Unknown

Condition:

The Department of Human Services is not verifying that funds provided as match for the Child Support Enforcement Program by other state entities are from an allowable source.

Criteria:

2 CFR 200.306 states that for matching funds to be allowable they cannot be included as contributions for any other federal award.

Cause:

The Department of Human Services did not develop procedures to ensure the allowable source of match from the local entity was verified.

Effect:

Local match contributions could include funds from other federal sources not authorized to be used as the match for the Child Support Enforcement Program.

Recommendation:

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

Department of Human Services Response/Corrective Action Plan:

The Department will enhance procedures to ensure the local matching contributions continue to be from an allowable source.

Finding 2016-042

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

U.S. DEPARTMENT OF EDUCATION

CFDA # 84.126, 93.563

Child Support Enforcement

Rehabilitation Services – Vocational Rehabilitation Grants to States

Questioned Cost: \$0

Condition:

The Department of Human Services is not ensuring that all expenditures are reviewed and approved by appropriate program personnel under the Child Support Enforcement program and Vocational

STATE OF NORTH DAKOTA
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Rehabilitation program. Three of 25 transactions tested for Child Support Enforcement and two of 25 transactions tested for Vocational Rehabilitation were not reviewed and approved by program personnel.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

The Department of Human Services felt it was appropriate to have individuals not working under the Child Support Enforcement program and Vocational Rehabilitation program review and approve expenditures for those programs.

Effect:

The lack of proper approval may result in unallowable expenditures being charged to the programs.

Recommendation:

We recommend the Department of Human Services ensure all expenditures are reviewed and approved by appropriate program personnel.

Department of Human Services Response/Corrective Action Plan:

The Department will work with our federal partners to ensure program expenditures are properly approved by the appropriate program personnel.

Finding 2016-043

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.568

Low-Income Home Energy Assistance

Questioned Cost: \$1,732

Condition:

The Department of Human Services issued duplicate payments to vendors or individuals receiving payments from the Low-Income Home Energy Assistance (LIHEAP) program. A total of five duplicates were identified from 20 payments tested which totaled \$1,263 in payment errors. The five errors projected to the population totaled \$11,444 of possible overpayments. Other audit work identified additional two duplicates totaling \$469.

Criteria:

The OMB A-133 Compliance Supplement for the LIHEAP program states: As discussed in Appendix I to the Supplement, "Federal Programs Excluded from the A-102 Common Rule and Portions of 2 CFR Part 200," grantees are to use the fiscal policies (including obligation and expenditure of funds) that apply to their

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own funds in administering LIHEAP. Procedures must be adequate to ensure the proper disbursement of and accounting for Federal funds paid to the grantee, including procedures for monitoring the assistance provided (42 USC 8624(b)(10); 45 CFR section 96.30).

According to "Standards for Internal Control in the Federal Government", management designs appropriate types of control activities for the entity's internal controls system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system (GAO-14-704G paragraph 10.01).

Cause:

The Department does not have proper procedures in place to detect and prevent duplicate payments from being issued.

Effect:

The Department issued payments that were not allowable under the LIHEAP program.

Recommendation:

We recommend the Department of Human Services develop and implement procedures to detect and prevent duplicate payments from being issued under the LIHEAP program.

Department of Human Services Response/Corrective Action Plan:

The new eligibility system scheduled to be implemented in fall 2017 will have additional controls in place to help detect and prevent duplicate payments.

Finding 2016-044

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.568

Low-Income Home Energy Assistance Program

Questioned Cost: \$1,860

Condition:

The Department of Human Services does not have a process for ensuring that individual eligibility workers are collecting and maintaining all applicable information for Low-Income Home Energy Assistance (LIHEAP) eligibility determinations and benefit payments. Two of 40 cases reviewed had eligibility determinations made which were not supported by necessary documentation. Missing documentation included the following: the LIHEAP application, benefit worksheets, and copies of paystubs. These errors resulted in overpayments of \$1,860 and a projection to the population of \$338,475.

Criteria:

42 USC 8624(b)(10) states "Procedures must be adequate to ensure the proper disbursement of and accounting for Federal funds paid to the grantee, including procedures for monitoring the assistance provided."

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45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

The Department of Human Services failed to implement sufficient policies and procedures requiring supporting documentation to be maintained.

Effect:

The lack of controls resulted in benefit payments being issued for individuals that may not have been eligible. Also, benefit payments could be fraudulent or inaccurate due to missing information.

Recommendation:

We recommend the Department of Human Services develop procedures to ensure LIHEAP eligibility workers properly maintain all applicable information for LIHEAP eligibility determinations.

Department of Human Services Response/Corrective Action Plan:

The Department will continue to train the counties and reiterate policy that they collect and maintain appropriate supporting documentation for all eligibility determinations made for LIHEAP.

Finding 2016-045

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.568

Low-Income Home Energy Assistance

Questioned Cost: Unknown

Condition:

The Department of Human Services does not have evidence showing that all earned income is being verified on all Low-Income Home Energy Assistance (LIHEAP) cases.

Criteria:

42 U.S.C. 8624(j) states that verifications of income must be performed.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

Failure to implement a prior single audit recommendation.

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Effect:

Applicants could be receiving benefits that they would not be eligible for if their total earned income is too high.

Recommendation:

We recommend the Department of Human Services maintain proper documentation within the LIHEAP program that all earned income was verified.

Department of Human Services Response/Corrective Action Plan:

The Department's new eligibility system is scheduled to be implemented in fall 2017 and will include the capability to verify earned income on all LIHEAP cases.

Finding 2016-046

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

CFDA # 93.558

Temporary Assistance for Needy Families

Questioned Cost: \$4,205

Condition:

The Department of Human Services TANF Program did not have appropriate documentation to support the eligibility determinations made for 17 of the 60 cases reviewed. The total error amount in the reviewed cases was \$4,205. These errors, projected to the entire population, project to a possible error of \$3,006,430.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

45 CFR 206.10 states that the state agency shall establish and maintain methods by which it shall be kept currently informed about local agencies' adherence to the State plan provisions and to the State agency's procedural requirements for determining eligibility, and it shall take correction action when necessary.

Cause:

The county did not scan all documents into FileNet.

Effect:

Payments were made to individuals whose eligibility for the TANF Program could not be verified.

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For the Fiscal Years Ended June 30, 2016 and 2015

Recommendation:

We recommend the Department of Human Services ensure the county scans all appropriate supporting documentation for all eligibility determinations made for the TANF Program into FileNet.

Department of Human Services Response/Corrective Action Plan:

The Department will continue to train the counties to ensure they collect and maintain appropriate supporting documentation for all eligibility determinations made for the TANF Program and ensure it's maintained in FileNet.

Finding 2016-047

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration on Aging

CFDA # 93.044, 93.045, 93.053

Aging Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services, Aging Services Division, is not adequately completing and tracking on-site assessments of providers. There were a significant number of assessments of contract entities, health maintenance sites, and nutrition services meal sites not completed within the Division's monitoring guidelines.

- For fiscal year 2015, three of the 18 contracted entities did not have assessments performed in accordance with the Department's policy.
- For fiscal year 2016, nine of the 18 contracted entities did not have assessments completed within the first six months as required by the Department's policy and four of those contracted entities had no assessment completed during the contract period.
- The Department's minimum frequency for health maintenance and nutrition services meals sites is that all sites are assessed within a two-year period. Of the 185 meal sites, 45 didn't meet the two-year period requirement and 53 of the 134 health maintenance sites didn't meet the requirement.

Additionally, the department does not adequately track assessments to ensure the timeframes are being met, corrective actions are being taken, and all findings are resolved.

Criteria:

The North Dakota Department of Human Services, Aging Services Division, has developed a documented policy regarding contract monitoring. The policy sets minimum frequencies for monitoring activities. The policy is updated annually and during the audit period there was a change from requiring two assessments during the contract period to one assessment in the first six-months of the contract. For health maintenance sites and nutrition services meal sites, the policy is for all sites to be inspected within a two-year period.

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45 CFR 75.352(d) states that all pass-through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that the subaward performance goals are achieved.

Cause:

Significant turnover in the Regional Aging Services Program Administrator (RASPA) positions, who are responsible for completing these assessments, led to assessments not being performed within the established timeframes.

Effect:

Providers may not be in compliance with local, state, and federal rules, regulations, and policies. Providers may also not be in compliance with the terms of the contract. Client registrations or assessments may not be current and complete and billing for services may not be appropriate. Additionally, the reported required match, additional local funds, and data on service provisions may not be accurate.

Recommendation:

We recommend that the Department of Human Services, Aging Services Division, complete on-site assessments within their established guidelines. Additionally, the division should ensure they have proper controls to track on-site assessments, assessment results, required corrective actions, and follow-up on corrective actions.

Department of Human Services Response/Corrective Action Plan:

The Department will enhance the current spreadsheet to ensure on-site assessments, assessment results, required corrective actions, and follow-up on corrective actions are properly tracked. In situations of staff turnover, other staff will be assigned to complete the assessments within the timelines of Department policy.

Finding 2016-048

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration on Aging

CFDA # 93.044, 93.045, 93.053

Aging Cluster

Questioned Cost: \$0

Condition:

Nutrition Services Incentive Program (NSIP) cash distributions are not being made promptly. The Aging Services division made one annual distribution to contracted nutrition entities instead of making the distributions when they received the funds from the federal government. Funds were received in January 2015 (\$632,719), April 2015 (\$189,954), and July 2015 (\$3,837) and the distribution was made in August 2015.

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SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Criteria:

42 USC 3030a(d)(4) requires states to promptly and equitably distribute NSIP cash to recipients of grants or contracts.

North Dakota Department of Human Services, Aging Services, Older Americans Policy Manual states that funds will be disbursed upon receipt from the federal government.

Cause:

Aging Services changed their vendor contracts from a calendar year to a state fiscal year; therefore, the money was not distributed until the new contract period.

Effect:

Contracted nutrition entities are not receiving their portions of the distribution in a timely manner.

Recommendation:

We recommend that the Department of Human Services, Aging Services Division, make prompt distributions of the Nutrition Services Incentive Program (NSIP) funds received to contracted nutrition entities.

Department of Human Services Response/Corrective Action Plan:

The Department will distribute the funds promptly and will update Department policy to comply with the federal regulation.

Finding 2016-049

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration on Aging

CFDA # 93.044, 93.045, 93.053

Aging Cluster

Questioned Cost: \$0

Condition:

Aging Services does not have adequate controls in place to ensure maintenance of effort is being properly calculated. There was an error in the spreadsheet that caused the expenditures available for meeting the maintenance of effort to be overstated, however, the department had enough state expenditures to still meet the maintenance of effort requirement.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

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Cause:

The agency is using the wrong percentage in calculating the mill levy match portion of the maintenance of effort calculation due to a spreadsheet error which caused the percentage not to be updated from year to year.

Effect:

Without adequate controls surrounding the calculation of maintenance of effort, there is the potential for the agency to not meet the maintenance of effort requirement, which would result in a reduction to the State's allotments for supportive and nutrition services.

Recommendation:

We recommend the Department of Human Services, Aging Services Division, strengthen controls surrounding the spreadsheet used to calculate maintenance of effort to ensure maintenance of effort is being properly calculated.

Department of Human Services Response/Corrective Action Plan:

The Department will ensure the maintenance of effort is properly calculated.

Finding 2016-050

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration on Aging

CFDA # 93.044, 93.045, 93.053

Aging Cluster

Questioned Cost: \$0

Condition:

The SF-425 Federal Financial Reports for Aging Program grants were not completed accurately. Inaccuracies include using the incorrect basis of accounting and incorrectly calculating the recipient share of expenditures. The errors in the calculation of the "recipients share of expenditures" line include using the wrong year's mill levy amount, using an incorrect percentage when determining mill levy amount, improperly allocating mill levy amounts between federal grant programs, and inconsistencies in reporting additional match amounts.

Criteria:

The instructions for the SF-425 Federal Financial Report state that lines 10a and 10b are to be reported as actual cash received and actual cash disbursements.

Cause:

North Dakota Department of Human Services Aging Services misinterpreted the SF-425 Federal Financial Report instructions.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Effect:

Inaccurate financial reporting does not provide a clear picture of the financial status of the federal grants to the users of the financial reports.

Recommendation:

We recommend that Department of Human Services ensure that the SF-425 Federal Financial Reports for the Aging Services grant are completed accurately.

Department of Human Services Response/Corrective Action Plan:

The Department will ensure the SF-425 Financial Reports are completed accurately for the Aging Services program.

Finding 2016-051

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration on Aging

CFDA # 93.044, 93.045, 93.053

Aging Cluster

Questioned Cost: \$0

Condition:

Department of Human Services Aging Services did not properly identify all subrecipients for their nutrition services and health maintenance contracts. In total, there were approximately \$7 million in payments to entities that were not properly identified as subrecipients.

Criteria:

45 CFR 75.351 states "a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor". 45 CFR 75.351 also provides characteristics of both subrecipient and contractor relationships.

Cause:

The Aging Services Division incorrectly identified some agreements as a contractor relationship instead of a subrecipient relationship.

Effect:

The Department of Human Services is not reporting the accurate amount of subrecipient payments on the SEFA for the Aging Cluster grants. Also, because of the failure to identify all subrecipients, the agency may not be performing all of the required subrecipient monitoring.

Recommendation:

We recommend that the Department of Human Services properly identify all subrecipient payments to ensure that they are being reported correctly on the schedule of expenditures of federal awards and to ensure that the required subrecipient monitoring is in place.

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Department of Human Services Response/Corrective Action Plan:

The Department will work with our Federal partners to ensure the nutrition services and health maintenance contracts are properly identified.

Finding 2016-052

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA # 93.044, 93.045, 93.053, 93.568, 93.575, and 93.596

Aging Cluster, Low-Income Home Energy Assistance Program, CCDF Cluster

Questioned Cost: \$0

Condition:

The Department of Human Services Aging, Child Care Assistance and LIHEAP Programs subrecipient grant award agreements issued for funds received under Uniform Guidance did not include all required information. The following is required information that was not included: Federal Award Identification Number (FAIN), Federal Award Date, and identification of whether the award is research and development.

Criteria:

2 CFR 200.331 lists the required information that pass-through entities must provide to subrecipients.

Cause:

The Department of Human Services did not update their grant agreements to include all required information under Uniform Guidance.

Effect:

The subrecipients were not notified of all information that was required under Uniform Guidance.

Recommendation:

We recommend the Department of Human Services ensure subrecipient grant agreements include all information that is required under Uniform Guidance.

Department of Human Services Response/Corrective Action Plan:

The Department has updated the grant agreement template to include all required information under the Uniform Guidance. Grant agreements drafted February 6, 2017 or later will contain the required information.

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Finding 2016-053

U.S. DEPARTMENT OF EDUCATION

CFDA # 84.126

Rehabilitation Services – Vocational Rehabilitation Grants to States

Questioned Cost: \$99,618

Condition:

The Department of Human Services, Vocational Rehabilitation program, made payments totaling \$31,789 for the federal fiscal year 2013 grant and \$67,829 for the federal fiscal year 2014 grant that did not comply with Federal period of performance requirements.

Criteria:

34 CFR 361.64 states:

"(a) Except as provided in paragraph (b) of this section, any Federal funds, including reallocated funds, that are appropriated for a fiscal year to carry out a program under this part that are not obligated by the State by the beginning of the succeeding fiscal year and any program income received during a fiscal year that is not obligated by the State by the beginning of the succeeding fiscal year remain available for obligation by the State during that succeeding fiscal year.

(b) Federal funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent that the State met the matching requirement for those Federal funds by obligating, in accordance with 34 CFR 76.707, the non-Federal share in the fiscal year for which the funds were appropriated."

Cause:

The Vocational Rehabilitation program does not have sufficient procedures in place to prevent and detect payments from occurring outside the Period of Performance.

Effect:

Unallowable costs were charged to the grant.

Recommendation:

We recommend the Department of Human Services implement procedures to prevent and detect Vocational Rehabilitation payments from occurring outside the period of performance.

Department of Human Services Response/Corrective Action Plan:

The Department will ensure payments for the Vocational Rehabilitation program don't occur outside the period of performance.

STATE OF NORTH DAKOTA
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Finding 2016-054
U.S. DEPARTMENT OF EDUCATION
CFDA # 84.126
Rehabilitation Services – Vocational Rehabilitation Grants to States

Questioned Cost: \$0

Condition:

The Department of Human Services did not ensure Individualized Plans for Employment (IPEs) were established within 90 days of the eligibility determination for the Vocational Rehabilitation (VR) program. Twelve out of 40 cases reviewed fell outside of the proper timeframe without having an extension granted.

Criteria:

29 USC 722(b)(3)(F) states "The individualized plan for employment shall be developed as soon as possible, but not later than a deadline of 90 days after the date of the determination of eligibility described in paragraph (1), unless the designated State unit and the eligible individual agree to an extension of that deadline to a specific date by which the individualized plan for employment shall be completed."

Cause:

The Department of Human Services did not establish a control for this requirement until September of 2016.

Effect:

The IPE is the product of the VR Counselor's professional assessment of the client's interest, aptitudes, need for accommodation and labor market conditions. Without timely IPE development, the client does not have a clear cut vocational goal and a comprehensive list of service necessary to achieve their vocational goal. The 90-day guideline ensures the counselor is effectively using their professional counseling skills to assist the client to determine the best course of action and vocational goal within a reasonable timeline.

Recommendation:

We recommend that the Department of Human Services ensure Individualized Plans for Employment (IPEs) are established within 90 days of the eligibility determination for the Vocational Rehabilitation program.

Department of Human Services Response/Corrective Action Plan:

In anticipation for the change in federal law, the Department began to establish internal controls in March 2016 and when the final rules were issued in September 2016, the Department upgraded the AWARE system accordingly to ensure IPEs are developed within 90 days of the eligibility determination or an agreement with the client is secured to extend the 90-day period of time.

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Finding 2016-055
U.S. DEPARTMENT OF EDUCATION
CFDA # 84.126
Rehabilitation Services – Vocational Rehabilitation Grants to States

Questioned Cost: \$0

Condition:

The Department of Human Services did not expend enough non-Federal dollars for the federal fiscal year 2014 grant in order to comply with the level of effort requirement for the Vocational Rehabilitation program. The non-Federal dollars were \$532,989 below the amount required.

Criteria:

34 CFR 361.62 (a) (1) states "The Secretary reduces the amount otherwise payable to a State for a fiscal year by the amount by which the total expenditures from non-Federal sources under the State plan for the previous fiscal year were less than the total of those expenditures for the fiscal year two years prior to the previous fiscal year."

Cause:

The Department's 2014 level of effort requirement was larger than usual due to receiving an increased grant award in federal fiscal year 2012 to implement the AWARE System. The Department knew they wouldn't be able to spend the entire federal fiscal year 2015 grant award as the State was in an order of selection. Therefore, a determination was made to not meet the federal fiscal year 2014 level of effort and have the federal fiscal year 2015 grant award decreased by the same amount of the federal fiscal year 2014 level of effort shortfall.

Effect:

The Federal dollars for the Department of Human Services federal fiscal year 2015 grant was reduced by the amount of non-federal dollars that were not properly expended in the federal fiscal year 2014 grant.

Recommendation:

We recommend the Department of Human Services comply with the level of effort requirement for the Vocational Rehabilitation program.

Department of Human Services Response/Corrective Action Plan:

A United States Department of Education letter dated July 16, 2015, gave the Department the opportunity to request a waiver or to incur the penalty. Due to the Department being in an order of selection and therefore not needing the full FFY 2015, the Department responded on August 3, 2015 stating the Department would not be requesting a waiver. The Department will continue to be good stewards of both federal and state funds and will only incur expenditures that are necessary to fulfill current program policies.

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Finding 2016-056
U.S. DEPARTMENT OF EDUCATION
CFDA # 84.126
Rehabilitation Services – Vocational Rehabilitation Grants to States

Questioned Cost: \$0

Condition:

The SF-425, Federal Financial Reports, and the RSA-2, Annual Vocational Rehabilitation Program/Cost Reports, are not being completed accurately. Inaccuracies relate to reporting accounting adjustments that were not made during the reporting period, reporting an incorrect amount for cash disbursements, and reporting incorrect amounts for Direct Administration Costs and Direct Services Expenditures. Errors on the RSA-2 report in total were approximately \$55,000. Errors on the on the SF-425 reports in total were approximately \$3,000.

Criteria:

United States Department of Education, Office of Special Education and Rehabilitation Services, Rehabilitation Services Administration (RSA), Policy Directive RSA-PD-15-05 issued February 5, 2015 contains instructions for completing the Federal Financial Report (SF-425) for the State Vocational Rehabilitation Services Program. It states in this policy directive that RSA uses the SF-425 data to monitor the financial status of the VR program and to assess grantee compliance with the fiscal requirements, therefore the reports must be accurate and submitted timely.

Cause:

Errors were caused because accounting adjustments were accounted for on the reports even though they did not occur during the reporting period. Additionally, expenditure amounts were not properly reported because of a typing error in the calculation of the expenditure amount and because up-to-date accounting data was not used.

Effect:

Inaccurate financial reporting does not provide a clear picture of the financial status of the federal grants to the users of the financial reports.

Recommendation:

We recommend the Department of Human Services ensure the SF-425 Federal Financial Reports and RSA-2 Annual Vocational Rehabilitation Program/Cost Reports for the Vocational Rehabilitation program are completed accurately.

Department of Human Services Response/Corrective Action Plan:

The Department will ensure the Vocational Rehabilitation SF-425 Federal Financial Reports and RSA-2 reports are completed accurately.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-057
VARIOUS FEDERAL AGENCIES
CFDA # Various
All programs

Questioned Cost: \$0

Condition:

The Department of Human Services did not complete a department-wide risk assessment to identify control weaknesses in the Department's financial, compliance, and operational areas. The Department has prepared risk assessments of operations for central office services including fiscal, legal, provider audit, human resources, and the executive office. In addition, risk assessments for child support, behavioral health, autism services, developmental disabilities, economic assistance policy, developmental disabilities council, vocational rehabilitation, aging services, and information technology services divisions have been completed. Instances, however, were noted where control activities that prevent and detect risks were not documented. Fraud risk assessments have not been completed for several major program operations managed by the Department including children and family services, medical services, human service centers, State Hospital, Life Skills and Transition Center, and significant information technology programs.

Criteria:

North Dakota Office of Management and Budget Policy 216 requires all state agencies perform a fraud risk assessment for each of their functions and/or divisions on a biennial basis.

The risk assessment process requires that management identify, analyze and respond to each significant risk and fraud exposure by designing and documenting necessary control activities to operate within defined risk tolerances. (Green Book, GAO-14-704G para 7.01, 8.01, Appendix I)

Cause:

There is a lack of resources dedicated to monitoring internal controls, and the Department failed to fully implement previous recommendations since the audit of the Department for the biennium ended June 30, 2009.

Effect:

Without an adequate risk assessment, fraud and excessive errors can occur without being prevented or detected by management.

Recommendation:

We recommend the Department of Human Services establish and perform control risk assessments, including a fraud risk assessment, on a biennial basis.

Department of Human Services Response/Corrective Action Plan:

The Department does not have staff resources to complete a department-wide risk assessment on a biennial basis; however, we will continue to perform assessments with the resources available.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-058
VARIOUS FEDERAL AGENCIES
CFDA # Various
All programs

Questioned Cost: \$0

Condition:

The Department of Human Services has not developed policies or procedures to be followed by counties that address situations involving conflicts of interest at the county eligibility worker level.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

Failure by the Department of Human Services to develop proper policies and procedures.

Effect:

County eligibility workers might work cases that involve friends or relatives with no additional oversight. These types of situations may result in improper or fraudulent determinations being made by the worker.

Recommendation:

We recommend the Department of Human Services develop policies and procedures to address conflicts of interest within the county eligibility process.

Department of Human Services Response/Corrective Action Plan:

The Department will enhance the conflict of interest directive that is currently in the code of conduct policy which is provided to the counties. The enhancement will address the county eligibility process.

Finding 2016-059
VARIOUS FEDERAL AGENCIES
CFDA # Various
Various

Questioned Cost: \$0

Condition:

The Schedule of Expenditures of Federal Awards (SEFA) prepared by the Department of Human Services for 2015 and 2016 were inaccurate. Expenditures reported for multiple programs on the face of the schedule, as well as amounts reported as paid to subrecipients, were inaccurate.

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

For the Fiscal Years Ended June 30, 2016 and 2015

Criteria:

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

Cause:

Lack of procedures to fully ensure SEFA information is being reported accurately.

Effect:

The Federal Government may be relying on inaccurate information.

Recommendation:

We recommend the Department of Human Services strengthen their procedures to ensure the SEFA is accurately prepared.

Department of Human Services Response/Corrective Action Plan:

The Department will ensure the SEFA is accurately prepared.

Finding 2016-060

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA # Various

All Programs with Subrecipients

Questioned Cost: \$0

Condition:

The Department of Human Services is not documenting the evaluation of each subrecipient's risk of noncompliance as required to determine the appropriate subrecipient monitoring.

Criteria:

2 CFR 200.331(b) requires the evaluation of each subrecipient's risk of noncompliance with Federal statutes, regulation, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Cause:

The Department of Human Services has not updated their policy to reflect the necessary changes based on the Uniform Guidance.

Effect:

Without performing proper risk assessments of subrecipients, subrecipient monitoring may not be adequate. Without proper subrecipient monitoring there is a risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Recommendation:

We recommend the Department of Human Services document the evaluation of each subrecipient's risk of noncompliance with Federal regulations for the purposes of determining the appropriate subrecipient monitoring.

Department of Human Services Response/Corrective Action Plan:

The Department has developed a checklist which documents the current programmatic and financial procedures used to monitor subrecipients. The checklist also includes an overall assessment of the subrecipient's risk.

Finding 2016-061

VARIOUS FEDERAL AGENCIES

CFDA # Various

All Federal Programs under the Treasury-State Agreement

Questioned Cost: \$0

Condition:

The control sheets used by the Department of Human Services to determine the amounts and timing of requests for Federal funds, do not properly identify the different types of expenditures. Additionally, the control sheets also do not list the proper average day of clearance for those types of expenditures as outlined in the Treasury-State Agreement.

Criteria:

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

The Department of Human Services has not assigned responsibility to ensure the control sheets are kept current.

Effect:

Requests of Federal funds may not be made in accordance with the Treasury-State Agreement.

Recommendation:

We recommend the Department of Human Services implement procedures to ensure the control sheets used to determine Federal cash draw amounts are kept current with the Treasury-State Agreement.

Department of Human Services Response/Corrective Action Plan:

The Department will update the Excel spreadsheets to ensure they accurately identify the activity contained within them.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-062
VARIOUS FEDERAL AGENCIES
CFDA # Various
All Federal Programs under the Treasury-State Agreement

Questioned Cost: \$0

Condition:

The Department of Human Services did not draw Federal funds in accordance with the Treasury-State Agreement, resulting in total interest due to the federal government of \$23,010. The following areas of noncompliance were identified:

- 3 instances of cash draws being performed early.
- 2 instances of refunds not being offset with other expenditures timely.
- 1 instance of a cash draw in excess of expenditures.
- 14 instances of cash draws being performed late.

Criteria:

The 2015 and 2016 Treasury-State Agreement identifies the correct timing of Federal draws.

Cause:

A combination of client errors and other job duties taking priority over cash draws caused the errors identified.

Effect:

The Department of Human Services incurred interest charges that are due to the Federal Government.

Recommendation:

We recommend the Department of Human Services ensure all cash management activities are performed in accordance with the Treasury-State Agreement.

Department of Human Services Response/Corrective Action Plan:

The Department has had discussions with the North Dakota Office of Management and Budget and will continue to work with them to update the Treasury-State Agreement in the spring of 2017 to increase the dollar limit when cash draws are necessary and to update language on how the timing of refunds affects the cash draws to ensure the process continues to be efficient. The Department will perform cash management activities in accordance with revised the Treasury-State Agreement.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

DEPARTMENT OF PUBLIC INSTRUCTION

Finding 2016-063

U.S. DEPARTMENT OF EDUCATION

CFDA #84.366

Mathematics and Science Partnerships

Questioned Cost: \$0

Condition:

The Department of Public Instruction does not have documentation to show that subrecipient monitoring was completed on the Mathematics and Science Partnerships program. Site visits are completed but there is no checklist, corrective action plan, close-out letter, etc. that is kept on file for these reviews. Quarterly reports are submitted by the subrecipients to the Department of Public Instruction, but there is no approval or notation on the reports that shows they have been reviewed.

Criteria:

The A-133 Compliance Supplement, subrecipient monitoring section, states that during-the-award monitoring should include monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulation, and the provisions of contracts or grant agreement and that performance goals are achieved.

Cause:

The Department of Public Instruction's Mathematics and Science Partnerships program felt their procedures were adequate.

Effect:

Subrecipients of the Department of Public Instruction's Mathematics and Science Partnerships program may not be in compliance with the objectives of the program.

Recommendation:

We recommend the Department of Public Instruction, Mathematics and Science Partnerships program ensure that documentation is kept for subrecipient monitoring that is completed. We also recommend that notations or approval be included on the subrecipient quarterly reports to demonstrate that they have been reviewed.

Department of Public Instruction Response/Corrective Action Plan:

The North Dakota Department of Public Instruction (NDDPI) ensures a monitoring process will be implemented in 2016-2017 for all Mathematics and Science Partnerships sites. The NDDPI intends to monitor each site in two different means; the utilization of a formal site review, which includes; a checklist, written correspondence back to the site with our commendations, recommendations and findings and a monitoring report status chart to assist in tracking of all of the necessary steps to complete monitoring.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

A spreadsheet has been developed to assist with the tracking of quarterly reports when received and approved. Additionally, we have added a department approval signature line to our SFN 60506 Title II, Part B Quarterly Report form to indicate review and approval.

Finding 2016-064

U.S. DEPARTMENT OF EDUCATION

CFDA #84.287

Twenty-First Century Community Learning Centers

Questioned Cost: \$0

Condition:

The Department of Public Instruction does not review the equitable participation of public and private schools during their subrecipient monitoring of consortiums who distribute Twenty-First Century Community Learning Centers funds to schools.

Criteria:

34 CFR 299.7 (a)(1) requires that expenditures of funds made by an agency or consortium of agencies for services for eligible private school children and their teachers and other educational personnel must be equal on a per-pupil basis to the amount of funds expended for participating public school children and their teachers and other educational personnel, taking into account the number and educational needs of those children and their teachers and other educational personnel.

Cause:

The Department of Public Instruction was unaware of this requirement.

Effect:

Private schools may not be receiving an equitable appropriation of Twenty-First Century Community Learning Centers funds.

Recommendation:

We recommend the Department of Public Instruction monitor subrecipients to ensure that private and public schools receive funds on an equitable basis.

Department of Public Instruction Response/Corrective Action Plan:

We at the DPI agree with the audit finding. We will refine our monitoring protocol tool which will enable us to focus on award distribution to public and private schools. This will ensure equitable distribution of funds.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-065
U.S. DEPARTMENT OF EDUCATION
CFDA #84.287
Twenty-First Century Community Learning Centers

Questioned Cost: \$0

Condition:

The Department of Public Instruction did not have support documentation to show that they informed private schools of the ability to apply for Twenty-First Century Community Learning Centers funds.

Criteria:

20 USC 7881(a)(1) states that an agency or consortium of agencies receiving funds under this program, shall, after timely and meaningful consultation with appropriate private school officials provide special education services or other benefits on an equitable basis to eligible children who are enrolled in private elementary and secondary schools, and to their teachers and other educational personnel.

Cause:

The Department of Public Instruction was unaware that their support documentation on informing private schools about this program was not sufficient.

Effect:

Private schools may not be informed of the ability to apply for all available Federal funds.

Recommendation:

We recommend the Department of Public Instruction inform private schools of the ability to apply for Twenty-First Century Community Learning Centers funds and keep the documentation associated with that correspondence.

Department of Public Instruction Response/Corrective Action Plan:

The Department of Public Instruction will require email receipts for all emails sent regarding grant opportunities. This is to ensure all entities – public and private schools, and non-profit entities – have an equal opportunity to apply. In addition, we will screen shot, save and print off all online postings of grant announcements.

All documents will be saved in electronic or print form for future audit review.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-066
U.S. DEPARTMENT OF EDUCATION
CFDA #84.027, 84.173
Special Education Cluster (IDEA)

Questioned Cost: \$0

Condition:

The supporting documentation the Department of Public Instruction uses for the Report of Children and Youth with Disabilities Receiving Special Education Under Part B of the Individuals with Disabilities Education Act is not sufficient. Information used to prepare this report is downloaded from the STARS information system and exported into an Excel spreadsheet which can be manipulated.

Criteria:

34 CFR sections 300.645(e) asserts that the State Education Agency must ensure that documentation is maintained that enables the State and the Secretary to audit the accuracy of the count.

Cause:

The Department of Public Instruction was not aware that the Excel spreadsheet was not considered sufficient support documentation.

Effect:

Information on the Excel spreadsheet could be changed to show different disabilities and under or over report numbers on the report.

Recommendation:

We recommend the Department of Public Instruction comply with Federal requirements by keeping proper support documentation for the Report of Children and Youth with Disabilities Receiving Special Education Under Part B of the Individuals with Disabilities Education Act.

Department of Public Instruction Response/Corrective Action Plan:

The special education office will run the initial child count from STARS. The data will be filtered by special education unit and then put into a PDF. A PDF of their data will be sent to each special education unit for verification and/or changes. We will request that the special education unit reply by email with any changes to their child count. The State will keep that documentation on file to ensure that the appropriate changes were made to the original spreadsheet as requested by the special education unit. We will then run another PDF file for the special education unit and send that to them for final approval of their data.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-067
U.S. DEPARTMENT OF AGRICULTURE
CFDA #10.565, 10.568, 10.569
Food Distribution Cluster

Questioned Cost: \$0

Condition:

The Department of Public Instruction, Food Distribution Cluster, is not completing subrecipient risk assessments as required.

Criteria:

2 CFR 200.331(b) requires the evaluation of each subrecipient's risk of noncompliance with Federal statutes, regulation, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Cause:

The Food Distribution Cluster does not review their subrecipients based on risk.

Effect:

Without performing proper risk assessments of subrecipients, subrecipient monitoring may not be adequate. Without proper subrecipient monitoring, there is a risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.

Recommendation:

We recommend the Department of Public Instruction, Food Distribution Cluster, complete subrecipient risk assessments as required.

Department of Public Instruction Response/Corrective Action Plan:

We misinterpreted the risk-assessment requirement for CSFP and TEFAP subrecipients. Risk assessments for these subrecipients will be completed by March 31, 2017 and annually thereafter. We will use the current DPI Risk Assessment form and complete the risk assessment as part of our annual program renewal process to ensure it is completed prior to renewing subrecipient agreements and awarding grants.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Finding 2016-068

U.S. DEPARTMENT OF AGRICULTURE and U.S. DEPARTMENT OF EDUCATION

CFDA # 10.565, 10.568, 10.569, 84.010, 84.027, 84.173, 84.287

Food Distribution Cluster, Title I Grants to Local Educational Agencies, Special Education Cluster (IDEA), and Twenty-First Century Community Learning Centers

Questioned Cost: \$0

Condition:

The Department of Public Instruction did not make subrecipients aware of all required grant award information for the Title I Grants to Local Education Agencies program, the Twenty-First Century Community Learning Centers program, the Food Distribution Cluster, and the Special Education Cluster.

Criteria:

31 U.S.C 7502(f)(2)(A) states that each pass-through entity shall provide subrecipient the Federal requirements which govern the use of such awards.

2 CFR 200.331(a) states the required information that pass-through entities must disclose. This includes information related to federal award identification, requirements imposed by the pass-through entity on the subrecipient, any additional requirements, approved federally recognized indirect cost rate, requirement that the subrecipient allow access to records, and appropriate terms and conditions concerning closeout of the subaward.

Cause:

The Department of Public Instruction did not ensure that all grant award information required by Uniform Guidance was included in the agreements given to subrecipients.

Effect:

Subrecipients may not have been aware of all necessary grant information and requirements.

Recommendation:

We recommend the Department of Public Instruction ensure that subrecipients are made aware of all required grant award information.

Department of Public Instruction Response/Corrective Action Plan:

The Department of Public Instruction agrees with this recommendation. NDDPI will review all grant award documents to make sure the required information is provided to subrecipients. The review of these documents will be completed by April 30th, 2017.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

DEPARTMENT OF TRANSPORTATION

Finding 2016-069

U.S. DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

CFDA # 20.205

Highway Planning and Construction

Questioned Cost: \$0

Condition:

The North Dakota Department of Transportation (NDDOT) does not have proper procedures and documentation for the Quality Assurance program requirements of 23 CFR 637. The Federal Highway Administration, North Dakota Division office, performed a Material Quality Assurance Program Review dated October 2015. This review identified required corrective action in procedures and documentation of materials acceptance, independent assurance, and laboratory qualification of the materials quality assurance program. Examples of corrective actions required by the ND Federal Highway Administration review include:

- Document qualification of laboratories;
- Document random sampling methods by field personnel;
- Document sampling with corresponding lot;
- Determine results of split sample tests between field and district laboratories are with acceptable tolerances;
- Perform consistent random sampling procedures on all projects for selecting time and location of sampling;
- Document validation of quality control, quality assurance, and independent assurance results;
- Ensure independent assurance sampling and testing is conducted consistently by all districts; and
- Validate uniformity of fresh concrete as specified in specifications.

Criteria:

The Quality Assurance program is required pursuant to 23 CFR 637.207.

Cause:

The NDDOT Field Sampling and Testing Manual approved by the FHWA, North Dakota Division, was not current with FHWA regulations as it pertains to the quality assurance program. The Department of Transportation's corrective action procedures for the FHWA, North Dakota Division, Material Quality Assurance Program Review issued October 2015 were not required until May of 2016 and were not fully implemented during the audit period.

Effect:

The Department of Transportation District Engineer certifies inspection and acceptance of the construction projects including Quality Assurance testing of materials in accordance with NDDOT's Sampling and Testing Manual. However, requirements for quality of materials cannot be validated without proper procedures and documentation.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Recommendation:

We recommend North Dakota Department of Transportation ensure proper procedures and documentation of the Quality Assurance program requirements of 23 CFR 637.

Department of Transportation Response/Corrective Action Plan:

NDDOT agrees with the finding. This finding as cited by the ND State Auditor's Office is based on the final report on the Material Quality Assurance Program Review (MQAPR) conducted by the ND Division of the Federal Highway Administration which was issued October 2015. In accordance with the MQAPR, corrective action was not required until May of 2016; NDDOT has implemented the corrective actions as set forth in the MQAPR.

Finding 2016-070

U.S. DEPARTMENT OF TRANSPORTATION

CFDA # Various

All programs with Subrecipients

Questioned Cost: \$0

Condition:

While the North Dakota Department of Transportation (NDDOT) has developed policy and subrecipient certification procedures, the monitoring method is not complete to ensure that subrecipients spending \$750,000 or more in Federal awards have met the audit requirements of 2 CFR 200 Subpart F. The NDDOT has established a system for receiving certification from subrecipients stating whether federal expenditures were above the threshold to require an audit. The NDDOT's tracking procedures do not ensure that certifications are received from all subrecipients and did not include subrecipients of the Department's safety programs.

Criteria:

2 CFR 200.331(f) requires a pass-through entity to verify that every subrecipient is audited as required by 2 CFR 200 Subpart F.

Standards for Internal Control in the Federal Government" (Green Book) requires management perform ongoing monitoring of the design and operating effectiveness of the internal control as part of the normal course of operations. Management must also communicate policies and procedures to personnel so that personnel can implement the control activities for their assigned responsibilities (Green Book, paragraphs 3.07, 12.02, 12.04, 16.05, 17.05)

Cause:

The Department of Transportation designed procedures to comply with a prior recommendation; however, procedures were not fully implemented during the audit period. Procedures for distributing and tracking subrecipient certifications have been segregated between Local and Safety Divisions and not fully coordinated.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Effect:

Subrecipients spending more than \$750,000 from all sources including the Department of Transportation may not be obtaining audits as required by the OMB Circular A-133.

Recommendation:

We recommend the Department of Transportation identify annually, based on the subrecipient's fiscal year, all subrecipients that spent \$750,000 or more in Federal awards from all sources through developed certification procedures. We also recommend the Department of Transportation ensure the certification tracking method includes all subrecipients, including those of the safety programs, to ensure all required audits are completed within nine months of the subrecipient's fiscal year end, management decisions are issued within six months of receiving the audit report, and timely and appropriate corrective action of all findings.

Department of Transportation Response/Corrective Action Plan:

NDDOT agrees with the finding. NDDOT has already implemented additional procedures and provided further instruction to program managers. These actions should bring the agency into full compliance.

GAME AND FISH DEPARTMENT

Finding 2016-071

U.S. DEPARTMENT OF THE INTERIOR

CFDA # 15.605, 15.611

Fish and Wildlife Cluster

Questioned Cost: \$0

Condition:

The North Dakota Game and Fish Department did not follow the North Dakota Office of Management and Budget's procurement policies. We noted three out of twenty-nine transactions were not procured properly. These errors included not getting at least three informal bids/proposals for purchases over \$2,500 or not completing an alternate procurement request form when necessary.

Criteria:

2 CFR 200.317 states that when procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds.

Chapter 6, section 6.1 of the North Dakota Office of Management and Budget's State Procurement Manual states that no fewer than three bids or proposals need be obtained (or provide written justification why there aren't) for purchases between \$2,500 to \$25,000.

Chapter 6, section 6.2 of the North Dakota Office of Management and Budget's State Procurement Manual states that agencies need to obtain prior approval for all limited competitive or noncompetitive purchases over \$2,500 by using an Alternate Procurement Request form.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Cause:

The North Dakota Game and Fish Department did not have proper procedures in place to follow North Dakota Office of Management and Budget's procurement policies.

Effect:

The North Dakota Game and Fish Department may not receive the best pricing option available and/or a vendor may not receive a competitive opportunity to provide the service.

Recommendation:

We recommend the North Dakota Game and Fish Department follow procurement laws set forth by the North Dakota Office of Management and Budget.

Game and Fish Department Response/Corrective Action Plan:

The Department strives to comply with all laws, rules, and policies. The Department has purchasing procedures in place which are communicated to staff; however, three errors were noted. We have subsequently reviewed policies and procedures with these three employees and will continue to review them with all employees to strengthen compliance.

Finding 2016-072

U.S. DEPARTMENT OF THE INTERIOR

CFDA # 15.605, 15.611

Fish and Wildlife Cluster

Questioned Cost: \$0

Condition:

The North Dakota Game and Fish Department (Department) is not adequately gathering the necessary information from subrecipients nor notifying the subrecipient of all the required award information as part of their grant award agreements. There were errors found on two of the seven awards tested. The Department did not receive a Dun and Bradstreet Data Universal Numbering System (DUNS) number from a subrecipient prior to the issuance of a subaward. Additionally, the Department failed to provide the subrecipient with a grant agreement for the same subaward. Also, a subrecipient grant agreement was missing the CFDA number as well as the clause referencing debarment of subrecipients.

Criteria:

OMB Circular A-133 requires pass-through entities to ensure subrecipients have provided a DUNS number to them and identify to the subrecipient the Federal award information (i.e., CFDA title and number; award name and number; if the award is research and development; and name of Federal awarding agency) along with any applicable compliance requirements.

2 CFR 180.300 states an agency that plans to enter into a covered transaction with another entity must ensure the entity is not debarred, suspended or otherwise excluded.

2 CFR 200.331(a) states the required information that pass-through entities must disclose.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Cause:

The Department did not have proper procedures in place to ensure necessary subrecipient information was collected and disseminated.

Effect:

Neither the Department nor the subrecipient received all the required information according to Federal guidelines. Additionally, by not having a completed grant agreement there is no formal agreement to terms between grantee and grantor.

Recommendation:

We recommend the North Dakota Game and Fish Department ensure:

- All required information is received from each subrecipient;
- Federal award identification information and applicable compliance requirements are identified to subrecipients.

Game and Fish Department Response/Corrective Action Plan:

The Department agrees with the recommendation. The Department strives to comply with all laws, rules, and policies. The one error was the result of a long-term agreement that contained old language and had not been updated. The other error was in August 2014 and was an oversight. Both errors were in the Fisheries Division and staff have since been reminded of the policies and procedures. Our procedures have subsequently been enhanced to ensure all new agreements are reviewed and the necessary requirements are met.

GOVERNOR'S OFFICE

Finding 2016-73

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

CFDA # 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 state's Medicaid agency, which is the Department of Human Services.

Criteria:

Section 1902(a)(61) of the Social Security Act requires states to have a Medicaid Fraud Control Unit in operation.

42 CFR 1007.9 requires the Medicaid Fraud Control Unit to be separate from the Medicaid agency.

42 CFR parts 455, 456, and 1002 require cases of fraud to be properly identified and investigated.

STATE OF NORTH DAKOTA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

For the Fiscal Years Ended June 30, 2016 and 2015

Cause:

The Centers for Medicare and Medicaid Services denied the State's request for a new waiver of the requirement to establish a Medicaid Fraud Control Unit.

Effect:

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

Recommendation:

We recommend the State of North Dakota establish a Medicaid Fraud Control Unit that is separate and distinct from the Department of Human Services.

Governor's Office Response/Corrective Action Plan:

By letter dated September 12, 2016, Governor Jack Dalrymple submitted a request to CMS Acting Administrator Andrew Slavitt for a new waiver of the requirement to operate a Medicaid Fraud Control Unit. Acting Administrator Slavitt denied the request in his January 6, 2017 letter and asked the Governor to submit an implementation plan to establish a Medicaid Fraud Control Unit with 60 days.

A plan for legislative implementation of the MFCU was explained in the January 31, 2017 letter from Governor Doug Burgum (Governor Burgum took office on December 15, 2016) to CMS. Three bills were introduced during North Dakota's sixty-fifth legislative session, convened on January 3, 2017 as follows: 1) As introduced, House Bill 1226 (HB 1226) established a Medicaid Fraud Control Unit as a division of the Attorney General's office; the bill included a fiscal note, prepared with the assistance of the Attorney General, funding the MFCU division; 2) House Bill 1227 (HB 1227) created a new section under North Dakota Century Code Title 12.1-31 (Miscellaneous Offenses) establishing criminal liability and penalties for Medicaid fraud; 3) House Bill 1174 (HB 1174) established civil liability for false Medicaid claims submitted to the state.

The North Dakota House of Representatives defeated HB 1227 (10-78) and HB 1174 (15-77). HB 1226 survived with significant amendments and was signed into law on March 16, 2017. As amended, HB 1226 requires the Department of Human Services to study the feasibility and desirability of a Medicaid Fraud Control Unit, in cooperation with the Governor and the Attorney General. A report and recommendations from the study must be submitted to legislative management by August 1, 2018, together with any legislation required to implement the recommendations. The legislation will be introduced during the 2019 legislative session.

Governor Burgum recognizes the importance of a Medicaid Fraud Control Unit and strongly supported legislation necessary to establish, fund and support the Medicaid Fraud Control Unit, operated as a division of the Attorney General's office. The result of these efforts is explained above.

A Medicaid Fraud Control Unit in North Dakota cannot be established without coordinated efforts from the legislative branch, exercising its authority to enact laws and appropriate funding and the executive branch, exercising its authority to execute legislative actions and administer state agencies.

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A revised plan for implementing a Medicaid Fraud Control Unit by the State of North Dakota is as follows: North Dakota's sixty-fifth legislative assembly enacted legislation (HB 1226) that requires a MFCU feasibility study conducted jointly by the Department of Human Services, the Attorney General and the Governor.

Governor Burgum's office and its cabinet agency, the Department of Human Services, will actively participate in the study authorized in HB 1226. These efforts will include preparation of a report to be submitted to legislative management, with draft legislation necessary to establish a MFCU unit in North Dakota for introduction during the sixty-sixth legislative session in 2019.

UNIVERSITY SYSTEM

Finding 2016-74
VARIOUS FEDERAL AGENCIES
CFDA # Various
Research and Development Cluster

Questioned Cost: Unknown

Condition:

NDSU only reviews the vendor list for debarred and suspended parties annually. NDSU attempted an automated review process for debarred and suspended parties; however, it was determined to be ineffective. NDSU then developed an alternate process, encompassing the remaining 2.5 months of federal transactions for fiscal year 2016. We tested 11 expenditures in the remaining 2.5 months of fiscal year 2016 and 36% of those expenditures did not have a documented review prior to payment being made for debarment and suspension.

Criteria:

2 CFR 180 states that a nonfederal entity must verify, when entering into a covered transaction, that the entity with which they intend to do business with is not debarred or suspended.

Cause:

There is a failure to establish and follow proper policies related to debarred and suspended vendors.

Effect:

Expenditures may be made with debarred or suspended parties and NDSU would not know about it until after payment is made.

Recommendation:

We recommend that NDSU develop policies and procedures that will provide for a documented review of vendors for debarred and suspended status prior to the expenditure being paid.

University System Response/Corrective Action Plan:

Partially Agree. We agree the attempted automated review process was insufficient, as it interfaced to an incorrect database. NDUS Core Technology Services plans to implement a new automated solution

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summer of 2017, which will interface with the appropriate federal database and will benefit all NDUS institutions. NDSU will continue using the alternate manual process until the preferred automated process is implemented.

We disagree with the audit assessment on the alternate manual procedures implemented the end of fiscal 2016. These alternate procedures require review of vendors at the time an order occurs. Three of the four errors found were attributed to transition of the new procedures; the transactions were ordered prior to implementation of the alternate procedures but paid after April 2016. We agree with the remaining error, which occurred as a result of incorrectly relying on state approved vendors as not debarred/suspended. We have now modified our procedures to also review vendors under a state contract.

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DEPARTMENT OF HEALTH

Finding 2014-001 Page 82

CFDA # 93.069: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Disease Control and Prevention

Questioned Cost: \$0

Recommendation: We recommend the Department of Health, Public Health Emergency Preparedness Program, strengthen subrecipient monitoring procedures surrounding desk reviews.

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

DEPARTMENT OF HUMAN SERVICES

Finding 2014-002 Page 83

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

Questioned Cost: \$0

Recommendation: We recommend the Department of Human Services ensure the SURS sampling activities are executed in accordance with the SURS sampling plan by ensuring:

- Sampling activities are properly documented;
- Samples are expanded when errors are detected in accordance with the SURS sampling plan;
- Quarterly audits are performed every quarter;
- Sampling results are tracked in manner to identify patterns of fraud and abuse; and
- Conclusions and actions taken to identify fraud and abuse are sufficiently documented.

Status: Partially Implemented. See Department's current corrective action plan. See current year finding at 2016-003.

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By State Agency

Finding 2014-003 Page 84

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

Questioned Cost: \$0

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, when necessary, refer those cases to the proper authorities as required.

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

Finding 2014-004 Page 85

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

Questioned Cost: \$0

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.

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

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By State Agency

Finding 2014-005	Page 86
CFDA # 93.777, 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medicaid Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services develop system edit checks and improve system functionality to ensure eligibility determinations made for the Medicaid program are proper.
Status:	Finding was not implemented. The contingency system was replaced in February 2016 with Release 1 of the new eligibility system. See current year finding at 2016-004.

Finding 2014-006	Page 87
CFDA # 93.777, 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Medicaid Cluster
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:	Partially implemented. In May 2016 Governor Dalrymple received a letter from the Centers for Medicare and Medicaid Services (CMS), and CMS did not indicate the 1994 waiver was expired; however, CMS requested the Governor either notify CMS of the intent to establish a Unit or request a new waiver. In September 2016, Governor Dalrymple responded, requesting a new waiver. On January 6, 2017, CMS responded, denying the request for a new waiver and asking the Governor to submit an implementation plan within 60 days. Establishing a unit is ultimately a decision of the North Dakota Legislature. See current year finding at 2016-073.

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Finding 2014-007	Page 88
CFDA # 93.777, 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Medicaid Cluster
Questioned Cost:	\$169
Recommendation:	We recommend the Department of Human Services enhance its monitoring activities surrounding Medicaid payments through additional testing of support from providers.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 2014-008	Page 88
CFDA # 93.777, 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Medicaid Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend the North Dakota Department of Human Services update the Mini-App system to ensure a sufficient TPL data match process is in place to augment the identification of medical services that are the legal obligation of third parties.
Status:	Finding was partially implemented. See current year finding at 2016-012.

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By State Agency

Finding 2014-009 Page 90

CFDA # 93.777, U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.778: Centers for Medicare & Medicaid Services
 Medicaid Cluster

Questioned Cost: Unknown

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

Status: Finding was not implemented. The Department collects current licenses at the time of original enrollment. Once enrolled, licensed providers are part of the monthly screening conducted by the Department's Provider Screening Contractor. Through this screening, the Department is notified if a license has expired or is no longer in good standing. The Department has enrollment checklists for each provider type and specialty. A checklist is completed for each newly enrolling provider. During the re-enrollment of all providers as part of ND Health Enterprise MMIS implementation, some pre-existing Legacy providers were not required to submit a new provider agreement; however, all newly enrolling providers are required to submit a provider agreement (SFN 615). The Department will continue provide training and guidance to staff completing provider enrollment activities. See current year finding at 2016-010.

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Finding 2014-010	Page 91
CFDA # 93.777, 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Medicaid Cluster
Questioned Cost:	Unknown
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.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 2014-011	Page 92
CFDA # 93.777, 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Medicaid Cluster
Questioned Cost:	Unknown
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.
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 2014-012	Page 93
CFDA # 93.777, 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Medicaid Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services implement procedures to ensure out-of-state hospitals, out-of-state nursing facilities, and ICF/ID facilities enrolled in the North Dakota Medicaid Program meet the prescribed health and safety standards and maintain documentation that the provider has met the standards on a yearly basis.
Status:	Partially Implemented. See Department's current corrective action plan. See current year finding at 2016-011.

Finding 2014-013	Page 94
CFDA # 93.777, 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Medicaid Cluster
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Human Services include all elements in the risk analysis of the Medicaid system as required by the OMB Circular A-133 Compliance Supplement and 45 CFR section 95.621.
Status:	Finding was not implemented. See current year finding at 2016-013.

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Finding 2014-014	Page 95
CFDA # 93.777, 93.778:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Medicaid Cluster
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Human Services submit drug rebate utilization data to CMS within 60 days after the end of the quarter.
Status:	Finding was not implemented. See current year finding at 2016-014.

Finding 2014-015	Page 96
CFDA # 93.575, 93.596:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	\$7,726
Recommendation:	We recommend the Department of Human Services ensure the counties properly follow the policies and procedures developed for identification and recoupment of intentional program violations in the Child Care Assistance program to ensure recipients don't receive improper benefits.
Status:	The finding was implemented in accordance with the corrective action plan.

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By State Agency

Finding 2014-016	Page 97
CFDA # 93.575, 93.596:	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	\$0
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.
Status:	Finding was not implemented, however, the Department made system changes to correct deficiencies noted in the previous audit. See current year finding at 2016-020.

Finding 2014-017	Page 98
CFDA # 93.575, 93.596:	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	\$0
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.
Status:	Finding was not implemented, however, the Department has continued to train the counties and reiterate policy that they collect and maintain appropriate supporting documentation but as long as there are human beings determining eligibility and collecting applicable data, there will be human errors. See current year finding at 2016-018.

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Finding 2014-019	Page 99
CFDA # 93.575, 93.596:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Human Services develop procedures to ensure that licensing entities of out-of-state and tribal providers conducted compliance inspections to ensure the providers are complying with applicable health and safety requirements.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 2014-020	Page 100
CFDA # 93.575, 93.596:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	\$740
Recommendation:	We recommend the Department of Human Services ensure the counties collect and maintain appropriate supporting documentation for all eligibility determinations made for the Child Care Assistance Program.
Status:	Finding was not implemented, however, the Department has continued to train the counties and reiterate policy that they collect and maintain appropriate supporting documentation but as long as there are human beings determining eligibility and collecting applicable data, there will be human errors. See current year finding at 2016-018.

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Finding 2014-022	Page 102
CFDA # 93.575, 93.596, 93.044, 93.045, 93.053:	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster and Aging Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services implement procedures to ensure compliance with Federal timekeeping requirements.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 2014-023	Page 103
CFDA # 93.767:	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Children's Health Insurance Program
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services develop system edit checks and improve system functionality to ensure eligibility determinations made for the CHIP program are proper.
Status:	Finding was partially implemented. See current year finding at 2016-006.

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Finding 2014-024	Page 104
CFDA # 93.767:	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Children's Health Insurance Program
Questioned Cost:	\$2,440
Recommendation:	We recommend the Department of Human Services ensure eligibility determinations made for the CHIP program are proper.
Status:	Finding was not implemented. The contingency system was replaced in February 2016 with Release 1 of the new eligibility system. See current year finding at 2016-016.

Finding 2014-025	Page 105
CFDA # 93.658:	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Foster Care - Title IV-E
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Human Services develop and implement policies and procedures for Foster Care Program eligibility reviews. The policies and procedures should include guidance about: <ul style="list-style-type: none">• How many cases should be reviewed;• How often cases should be reviewed;• Requiring corrective action plans;• Implementing a formal follow-up process on errors; and• Developing a tracking system for errors and follow-up.
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 2014-026	Page 106
CFDA # 93.658:	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Foster Care - Title IV-E
Questioned Cost:	\$0
Recommendation:	We recommend the Foster Care Program's Title IV-E plan provide for periodic review of payment rates for Family Foster Care Home maintenance payments at reasonable, specific, time-limited periods to assure the rate's continuing appropriateness.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 2014-027	Page 107
CFDA # 93.558:	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families TANF Cluster
Questioned Cost:	\$513
Recommendation:	We recommend the Department of Human Service collect and maintain appropriate supporting documentation for all eligibility determinations made for the TANF Program.
Status:	Finding was not implemented; however, the Department has continued to train the counties and reiterate policy that they collect and maintain appropriate supporting documentation but as long as there are human beings determining eligibility and collecting applicable data, there will be human errors. See current year finding at 2016-046.

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By State Agency

Finding 2014-028	Page 107
CFDA # 93.558:	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Child Support Enforcement
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Human Services ensure funds for the Child Support program are drawn down in accordance with the Cash Management Improvement Act agreement.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 2014-029	Page 108
All Programs:	VARIOUS FEDERAL AGENCIES
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services allocate the salaries of the fiscal liaisons using an appropriate allocation methodology that is in compliance with 2 CFR Part 225.
Status:	The finding was implemented in accordance with the corrective action plan.

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By State Agency

DEPARTMENT OF PUBLIC INSTRUCTION

Finding 2014-030 Page 109

CFDA # Various: VARIOUS FEDERAL AGENCIES
All Grants with Subrecipients

Questioned Cost: \$0

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

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

DEPARTMENT OF TRANSPORTATION

Finding 2014-031 Page 110

CFDA # 20.205: U.S. DEPARTMENT OF TRANSPORTATION
Federal Highway Administration
Highway Planning and Construction

Questioned Cost: \$0

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

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

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By State Agency

Finding 2014-032	Page 111
CFDA # 20.205:	U.S. DEPARTMENT OF TRANSPORTATION Federal Highway Administration Highway Planning and Construction
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Transportation develop, approve, and implement a Value Engineering Policy in accordance with 23 CFR 627.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 2014-033	Page 112
CFDA # 20.205:	U.S. DEPARTMENT OF TRANSPORTATION Federal Highway Administration Highway Planning and Construction
Questioned Cost:	\$0
Recommendation:	<p>We recommend the Department of Transportation fully implement and obtain written approval of qualification-based selection procedures from FHWA in accordance with 23 CFR section 172.9.</p> <p>We recommend the Department of Transportation 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.</p>
Status:	The finding was implemented in accordance with the corrective action plan.

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Finding 2014-034	Page 114
CFDA # 20.205:	U.S. DEPARTMENT OF TRANSPORTATION Federal Highway Administration Highway Planning and Construction
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Transportation ensure subrecipient monitoring procedures are performed for counties receiving Highway Planning and Construction grants.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 2014-035	Page 115
CFDA # 20.205:	U.S. DEPARTMENT OF TRANSPORTATION Federal Highway Administration Highway Planning and Construction
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Transportation report all federal awards to subrecipients including emergency projects within the Federal Funding Accountability and Transparency Act reporting requirements. We also recommend the Department of Transportation obtain the DUNS number and identify Federal award information to subrecipients of emergency projects.
Status:	The finding was implemented in accordance with the corrective action plan.

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By State Agency

Finding 2014-036	Page 116
CFDA # 20.509:	U.S. DEPARTMENT OF TRANSPORTATION Federal Transit Administration Formula Grants for Rural Areas
Questioned Cost:	\$0
Recommendation:	We recommend the Department of Transportation properly comply with Federal Funding Accountability and Transparency Act reporting requirements of 2 CFR part 170.
Status:	The finding was implemented in accordance with the corrective action plan.

Finding 2014-38	Page 118
CFDA # Various:	U.S. DEPARTMENT OF TRANSPORTATION All Grants with Subrecipients
Questioned Cost:	\$0
Recommendation:	We recommend that the Department of Transportation implement procedures to identify annually, based on the subrecipient's fiscal year, subrecipients that spent \$500,000 or more in Federal awards from all sources. We also recommend the developed tracking system for monitoring subrecipients that met the A-133 audit threshold be implemented to ensure all required audits are completed within 9 months of the subrecipient's fiscal year end, management decisions are issued within 6 months of receiving the audit report, and timely and appropriate corrective action of all findings.
Status:	The corrective action plan was implemented. However, a subsequent audit has indicated that additional corrective procedures may be necessary to fully resolve the underlying problem. When the subsequent audit report is issued, NDDOT will consider implementing additional procedures to fully resolve the underlying problem. See current year finding at 2016-070.

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By State Agency

OFFICE OF THE ADJUTANT GENERAL

Finding 2014-041 Page 121

CFDA # 97.039/ U.S. DEPARTMENT OF HOMELAND SECURITY
 97.036: Federal Emergency Management Agency
 Hazard Mitigation Grant/ Disaster Grants Public Assistance

Questioned Cost: \$0

Recommendation: We recommend the Office of the Adjutant General ensure evidence is obtained to verify whether local matching contributions are from an allowable source.

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

Finding 2014-042 Page 122

CFDA # 97.067: U.S. DEPARTMENT OF HOMELAND SECURITY
 Federal Emergency Management Agency
 Homeland Security Grant Program

Questioned Cost: \$0

Recommendation: We recommend the North Dakota Adjutant General implement controls to ensure funds are obligated to sub-grantees within forty-five days after the date of the grant award.

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

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By State Agency

Finding 2014-043	Page 123
CFDA # 12.401:	U.S. DEPARTMENT OF HOMELAND SECURITY Homeland Security Grant Program
Questioned Cost:	\$14,578
Recommendation:	We recommend the North Dakota Adjutant General ensure the Distributed Learning Program of the National Guard Military Operations and Maintenance Projects is only charged for GSA vehicles used to support Distance Learning Activities.
Status:	The finding was implemented in accordance with the corrective action plan.

OFFICE OF THE ATTORNEY GENERAL

Finding 2014-044	Page 124
CFDA # Various:	U.S. DEPARTMENT OF JUSTICE All Grants with Subrecipients
Questioned Cost:	\$0
Recommendation:	We recommend the Office of Attorney General implement controls to ensure they review all subrecipients A-133 audit reports.
Status:	The finding was implemented in accordance with the corrective action plan.

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By State Agency

OFFICE OF THE STATE TREASURER

Finding 2014-045 Page 125

CFDA # 15.433, U.S. DEPARTMENT OF THE INTERIOR
 15.437: Flood Control Act Lands and Minerals Leasing Act

Questioned Cost: \$0

Recommendation: We recommend the Office of the State Treasure implement adequate subrecipient monitoring procedures.

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

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By State Agency

BISMARCK STATE COLLEGE (BSC)
DAKOTA COLLEGE AT BOTTINEAU (DCB)
DICKINSON STATE UNIVERSITY (DSU)
MINOT STATE UNIVERSITY (MISU)
NORTH DAKOTA STATE SCHOOL OF SCIENCE (NDSCS)
NORTH DAKOTA STATE UNIVERSITY (NDSU)
VALLEY CITY STATE UNIVERSITY (VCSU)
WILLISTON STATE COLLEGE (WSC)

Finding 2014-046 Page 126

CFDA # 93.342, U.S. DEPARTMENT OF EDUCATION
 93.364, Student Financial Aid Cluster
 93.264,
 84.268,
 84.038:

Questioned Cost: \$0

Recommendation: We recommend the colleges and universities use due professional care
 when preparing notes to the SEFA in compliance with federal regulations.

Status: **BSC, DCB, DSU, MISU, NDSCS, NDSU, VCSU, WSC:**
 The finding was implemented in accordance with the corrective action plan.

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For the fiscal years ended June 30, 2016 and 2015

By State Agency

BISMARCK STATE COLLEGE (BSC)

DICKINSON STATE UNIVERSITY (DSU)

NORTH DAKOTA STATE SCHOOL OF SCIENCE (NDSCS)

UNIVERSITY OF NORTH DAKOTA (UND)

WILLISTON STATE COLLEGE (WSC)

Finding 2014-047 Page 127

CFDA # 84.007, U.S. DEPARTMENT OF EDUCATION
84.033, Student Financial Aid Cluster
84.038:

Questioned Cost: \$0

Recommendation: We recommend that BSC, DSU, NDSCS, UND and WSC include the ConnectND fees that are coded as deposits to the tuition and fee amount reported on the FISAP for each applicable year.

Status: **BSC, DSU, NDSCS, NDSU, UND, WSC:** The finding was implemented in accordance with the corrective action plan.

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By State Agency

DAKOTA COLLEGE AT BOTTINEAU (DCB)

WILLISTON STATE COLLEGE (WSC)

Finding 2014-048 Page 128

CFDA # Various: U.S. DEPARTMENT OF EDUCATION
Student Financial Aid Cluster

Questioned Cost: \$0

Recommendation: We recommend that DCB and WSC perform timely reconciliations between the general ledger and reports from the federal government including the EDCAPS G5 report, as well as the final COD report and FA801 or Fund Roster. Any differences should be properly investigated and explained or corrected.

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

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

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

For the fiscal years ended June 30, 2016 and 2015

By State Agency

NORTH DAKOTA STATE COLLEGE OF SCIENCE (NDSCS)

Finding 2014-049	Page 129
CFDA # Various:	U.S. DEPARTMENT OF EDUCATION Student Financial Aid Cluster
Questioned Cost:	\$16,059
Recommendation:	We recommend that North Dakota State College of Science: <ul style="list-style-type: none">• Not include bookstore charges in institutional charges twice;• Use the correct percentages of Title IV aid earned;• Fix the programming error; and• Re-perform the calculations each semester to ensure the numbers used in Campus Solutions are correct.
Status:	NDSCS corrected the programming error immediately and is now calculating the refunds correctly.

NORTH DAKOTA STATE UNIVERSITY (NDSU)

Finding 2014-051	Page 131
CFDA # 10.XXX 10.001:	U.S. DEPARTMENT OF AGRICULTURE Research and Development Cluster (10.XXX: Award # 12-JV-11242307-101)
Questioned Cost:	Unknown
Recommendation:	We recommend that NDSU develop procedures that will provide for a review of vendors for debarred and suspended status prior to the expenditure being paid.
Status:	The finding was not implemented. See current year finding at 2016-074.

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

For the fiscal years ended June 30, 2016 and 2015

By State Agency

BISMARCK STATE COLLEGE (BSC)
WILLISTON STATE COLLEGE (WSC)
NORTH DAKOTA STATE UNIVERSITY (NDSU)
DICKINSON STATE UNIVERSITY (DSU)
NORTH DAKOTA STATE UNIVERSITY OFFICE (NDSUO)
VALLEY CITY STATE UNIVERSITY (VCSU)
UNIVERSITY OF NORTH DAKOTA (UND)
NORTH DAKOTA STATE SCHOOL OF SCIENCE (NDSCS)
LAKE REGION STATE COLLEGE (LRSC)
MINOT STATE UNIVERSITY (MISU)
DAKOTA COLLEGE AT BOTTINEAU (DCB)
MAYVILLE STATE UNIVERSITY (MASU)

Finding 2014-053 Page 133

CFDA # Various: VARIOUS FEDERAL AGENCIES
 Various federal agencies

Questioned Cost: \$0

Recommendation: We recommend that all institutions ensure that all federal programs are included in the SEFA with proper titles, CFDA numbers, program names, pass-through identification and amounts.

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

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

For the Fiscal Years Ended June 30, 2016 and 2015

<u>Acronym</u>	<u>Agency</u>
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

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

For the Fiscal Years Ended June 30, 2016 and 2015

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