

**For the fiscal year ended June 30, 2008**



**Georgia's animals**

The cover depicts just some of Georgia's animals in their natural habitats and the various animal attractions around the State. The pictures were provided by the Georgia Department of Economic Development.

# State of Georgia

SONNY PERDUE, GOVERNOR

## Single Audit Report

For the fiscal year ended  
June 30, 2008

Prepared by  
State Accounting Office  
and  
Georgia Department of Audits and Accounts

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March 13, 2009

The Honorable Sonny Perdue  
Governor of Georgia  
and  
Members of the General Assembly  
Citizens of the State of Georgia

We are honored to present the *Single Audit Report* of the State of Georgia for the fiscal year ended June 30, 2008. Organizational units comprising the State of Georgia reporting entity are listed in Appendix "A" of this report.

Federal laws and regulations require that the State undergo an annual audit in conformity with 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*. Accordingly, the *Single Audit Report* of the State of Georgia discloses the results of the financial operations of the State of Georgia reporting entity, as well as its compliance with requirements applicable to Federal financial assistance programs administered by the State.

This report is the culmination of extensive planning, coordination, cooperation, testing and evaluation, and we would like to express our appreciation to all those involved in its preparation and completion. We believe the results of this statewide audit provide valuable information to the State's decision makers and others interested in the activities of the State of Georgia.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Greg S. Griffin".

Greg S. Griffin, CPA  
State Accounting Officer

A handwritten signature in blue ink, appearing to read "Russell W. Hinton".

Russell W. Hinton, CPA, CGFM  
State Auditor

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# State of Georgia

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## Auditor's Section

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**Report on Internal Control Over Financial  
Reporting and on Compliance and Other  
Matters Based on an Audit of Financial  
Statements Performed in Accordance With  
*Government Auditing Standards***

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# DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St. S.W. Suite 1-156

Atlanta, Georgia 30334

**RUSSELL W. HINTON**

STATE AUDITOR

(404) 656-2174

## **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 Sonny Perdue

Governor of Georgia

and

Members of the General Assembly

of the State of Georgia

We have audited the financial statements of the governmental activities, business-type activities, the aggregated discretely presented component units, each major fund and the aggregated remaining fund information of the State of Georgia as of and for the year ended June 30, 2008, which collectively comprise the State of Georgia's basic financial statements and have issued our report thereon dated January 16, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other auditors audited the following percentages of total assets and revenues or additions of the indicated opinion units as described in our report on the State of Georgia's financial statements.

Opinion Unit	Percent of Opinion Unit's Total Assets	Percent of Opinion Unit's Total Revenues/Additions
Governmental Activities	11%	23%
Business-Type Activities	9%	25%
Aggregate Discretely Presented Component Units	93%	93%
Governmental Fund - General Fund	11%	18%
Governmental Fund - Georgia State Financing and Investment Commission	100%	100%
Proprietary Fund/Enterprise Fund - State Employees' Health Benefit Plan	100%	100%
Aggregate Remaining Fund Information	88%	9%

This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the Georgia Lottery Corporation, Georgia College and State University Foundation, Georgia

Southern University Housing Foundation, Inc., Georgia State University Foundation, Georgia Tech Athletic Association, Georgia Tech Facilities, Inc., Georgia Tech Foundation, Inc., Kennesaw State University Foundation, Inc., Medical College of Georgia Foundation, Inc., Medical College of Georgia Physician's Practice Group Foundation, University of Georgia Athletic Association, Inc. and the University of Georgia Foundation audited by other auditors were not audited in accordance with *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

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

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the State of Georgia's financial statements that is more than inconsequential will not be prevented or detected by the State of Georgia's internal control. We consider the deficiencies identified below, as described in the Financial Statement Findings section of the accompanying schedule of *Findings and Questioned Costs*, to be significant deficiencies in internal control over financial reporting.

<i>Statewide:</i>	<i>Department of Human Resources:</i>
FS-SW-08-01	FS-427-08-01
FS-SW-08-02	FS-427-08-02
FS-SW-08-03	FS-427-08-03
	FS-427-08-04
<i>Department of Administrative Services:</i>	FS-427-08-05
FS-403-08-01	FS-427-08-06
	FS-427-08-07
<i>Department of Education:</i>	FS-427-08-08
FS-414-08-01	FS-427-08-09
<i>Department of Community Health:</i>	<i>Judicial Council:</i>
FS-419-08-01	FS-434-08-01
FS-419-08-02	
	<i>Superior Courts:</i>
<i>Georgia Forestry Commission:</i>	FS-436-08-01
FS-420-08-01	

<i>Department of Labor:</i>	<i>Department of Transportation: (continued)</i>
FS-440-08-01	FS-484-08-08
FS-440-08-02	FS-484-08-09
FS-440-08-03	FS-484-08-10
FS-440-08-04	
FS-440-08-05	<i>Department of Veterans Service:</i>
FS-440-08-06	FS-488-08-01
FS-440-08-07	FS-488-08-02
FS-440-08-08	
FS-440-08-09	<i>Georgia Public Defender Standards Council</i>
FS-440-08-10	FS-492-08-01
FS-440-08-11	
	<i>Georgia Institute of Technology:</i>
<i>Department of Juvenile Justice:</i>	FS-503-08-01
FS-461-08-01	FS-503-08-02
<i>Department of Natural Resources:</i>	<i>Georgia State University:</i>
FS-462-08-01	FS-509-08-01
FS-462-08-02	
FS-462-08-03	<i>Albany State University:</i>
FS-462-08-04	FS-521-08-01
FS-462-08-05	FS-521-08-02
FS-462-08-06	
FS-462-08-07	<i>Columbus State University:</i>
	FS-530-08-01
<i>Department of Corrections:</i>	FS-530-08-02
FS-467-08-01	
	<i>Fort Valley State University:</i>
<i>Board of Regents of the University System of Georgia:</i>	FS-533-08-01
	FS-533-08-02
FS-472-08-01	FS-533-08-03
	FS-533-08-04
<i>Department of Revenue:</i>	
FS-474-08-01	<i>Georgia Gwinnett College:</i>
FS-474-08-02	FS-540-08-01
FS-474-08-03	FS-540-08-02
FS-474-08-04	FS-540-08-03
FS-474-08-05	FS-540-08-04
FS-474-08-06	
FS-474-08-07	<i>Savannah State University:</i>
FS-474-08-08	FS-548-08-01
FS-474-08-09	FS-548-08-02
	FS-548-08-03
<i>Department of Transportation:</i>	
FS-484-08-01	<i>Southern Polytechnic State University:</i>
FS-484-08-02	FS-550-08-01
FS-484-08-03	FS-550-08-02
FS-484-08-04	FS-550-08-03
FS-484-08-05	
FS-484-08-06	<i>Middle Georgia College:</i>
FS-484-08-07	FS-584-08-01

<i>South Georgia College:</i>	<i>State Road and Tollway Authority: (continued)</i>
FS-587-08-01	FS-927-08-02
	FS-927-08-03
<i>DeKalb Technical College:</i>	FS-927-08-04
FS-830-08-01	FS-927-08-05
FS-830-08-02	
	<i>Georgia Tech Research Corporation:</i>
<i>Georgia Building Authority (Regular):</i>	FS-5036-08-01
FS-900-08-01	FS-5036-08-02
FS-900-08-02	
	<i>Medical College of Georgia Health, Incorporated:</i>
<i>State Road and Tollway Authority:</i>	FS-5124-08-01
FS-927-08-01	

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we and other auditors consider the following findings to be material weaknesses.

<i>Statewide:</i>	<i>Department of Transportation:</i>
FS-SW-08-01	FS-484-08-01
	FS-484-08-02
<i>Department of Education:</i>	FS-484-08-03
FS-414-08-01	FS-484-08-04
	FS-484-08-05
<i>Department of Community Health:</i>	FS-484-08-06
FS-419-08-02	FS-484-08-07
	FS-484-08-08
<i>Department of Human Resources:</i>	FS-484-08-09
FS-427-08-02	FS-484-08-10
FS-427-08-04	
	<i>Department of Veterans Service:</i>
<i>Department of Labor:</i>	FS-488-08-01
FS-440-08-02	
FS-440-08-06	<i>Georgia Public Defender Standards Council</i>
FS-440-08-09	FS-492-08-01
FS-440-08-11	
	<i>State Road and Tollway Authority:</i>
<i>Department of Natural Resources:</i>	FS-927-08-01
FS-462-08-04	FS-927-08-02
FS-462-08-05	FS-927-08-04
FS-462-08-06	FS-927-08-05

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Georgia's financial statements are free of material misstatement, we and other auditors 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 and other auditors' tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Financial Statement Finding section of the accompanying schedule of *Findings and Questioned Costs*.

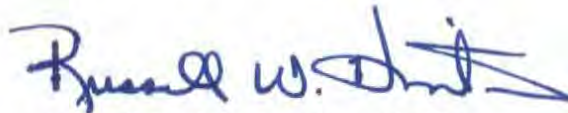
<i>Statewide:</i>	<i>Department of Transportation:</i>
FS-SW-08-01	FS-484-08-01

We and other auditors also noted certain matters that were reported to the management of various organizational units of the State of Georgia in separate letters.

The State of Georgia's responses to the findings identified in our audit are described in the Corrective Action Responses to Current Year Audit Findings and Questioned Costs section of the accompanying schedule of *Auditee's Responses*. We did not audit the State of Georgia's responses and, accordingly, we express no opinion on in.

This report is intended solely for the information and use of the management of the State of Georgia, including the Governor and the Georgia General Assembly, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



Russell W. Hinton, CPA, CGFM  
State Auditor

January 16, 2009



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**Report on Compliance with Requirements  
Applicable to Each Major Program and on  
Internal Control over Compliance in  
Accordance with OMB Circular A-133**

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# DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St. S.W. Suite 1-156

Atlanta, Georgia 30334

**RUSSELL W. HINTON**

STATE AUDITOR

(404) 656-2174

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

The Honorable Sonny Perdue

Governor of Georgia

and

Members of the General Assembly  
of the State of Georgia

### Compliance

We have audited the compliance of the State of Georgia with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The State of Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of *Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State of Georgia's management. Our responsibility is to express an opinion on the State of Georgia's compliance based on our audit. We did not audit the following major federal programs or percentages of federal programs:

CFDA NO.	PROGRAM NAME	% AUDITED BY OTHER AUDITORS	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
11.611	Manufacturing Extension Partnership	100%	\$2,348,845	\$0
14.235	Supportive Housing Program	91%	\$580,729	\$0
14.239	HOME Investment Partnerships Program	100%	\$28,271,128	\$0
47.076	Education and Human Resources	54%	\$19,326,240	\$0
81.119	State Energy Program Special Projects	100%	\$467,764	\$0
66.458	Capitalization Grants for Clean Water State Revolving Funds	100%	\$18,518,758	\$539,016,340
66.468	Capitalization Grants for Drinking Water State Revolving Fund	100%	\$18,801,363	\$102,410,358
93.767	State Children's Insurance Program	100%	\$253,568,743	\$0
	Medicaid Cluster	95%	\$4,738,729,623	\$0
	Research and Development Cluster	84%	\$498,558,466	\$0
	Student Financial Aid Cluster	67%	\$747,630,107	\$1,158,815,059

The programs listed above were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to compliance requirements for these programs, is based on the reports of the other auditors.

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

As described in finding number FA-427-08-08 in the accompanying schedule of *Findings and Questioned Costs*, the State of Georgia did not comply with requirements regarding Eligibility and Special Tests and Provisions that are applicable to the Child Support Enforcement Program (CFDA 93.563). Compliance with such requirements is necessary, in our opinion, for the State of Georgia to comply with requirements applicable to this program.

In our opinion, based on our audit and the reports of other auditors, except for the noncompliance discussed in the preceding paragraph, the State of Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our and other auditors' auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the Federal Awards Findings and Questioned Costs section of the accompanying schedule of *Findings and Questioned Costs* as the following items.

<b>Activities Allowed or Unallowed</b> FA-414-08-01 FA-427-08-01 FA-427-08-100	<b>Eligibility (Continued)</b> FA-427-08-08 FA-533-08-01 FA-581-08-01	<b>Subrecipient Monitoring</b> FA-414-08-02 FA-414-08-03 FA-427-08-15 FA-503-08-02
<b>Allowable Costs/Cost Principles</b> FA-407-08-01 FA-427-08-01 FA-427-08-100	<b>Period of Availability of Federal Funds</b> FA-440-08-03	<b>Special Tests and Provisions</b> FA-427-08-08 FA-427-08-16 FA-533-08-03 FA-533-08-04 FA-533-08-05 FA-533-08-06 FA-548-08-01
<b>Cash Management</b> FA-427-08-03 FA-440-08-02	<b>Reporting</b> FA-427-08-09 FA-427-08-10 FA-427-08-12 FA-427-08-13 FA-427-08-14 FA-503-08-01 FA-533-08-02 FA-918-08-01 FA-918-08-02 FA-918-08-03	<b>Accounting Controls (Overall)</b> FA-440-08-01
<b>Eligibility</b> FA-419-08-01 FA-427-08-05 FA-427-08-06 FA-427-08-07		

#### Internal Control Over Compliance

The management of the State of Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. We did not consider the internal control structures applicable to the federal programs listed in the table in paragraph one. Those internal control structures were considered by other auditors whose reports have been furnished to us. Our report, insofar as it relates to the internal control structures used in administering the federal programs mentioned previously is based on the reports of the other auditors.

In planning and performing our audit, we and other auditors considered the State of Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of the State of Georgia's internal control over compliance.

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a



control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We and other auditors consider the deficiencies in internal control over compliance described in the Federal Awards Findings and Questioned Costs section of the accompanying schedule of *Findings and Questioned Costs* and listed below as significant deficiencies.

<b>Activities Allowed or Unallowed</b> FA-427-08-01 FA-427-08-100	<b>Eligibility (Continued)</b> FA-427-08-08 FA-533-08-01 FA-581-08-01	<b>Reporting (Continued)</b> FA-503-08-01 FA-533-08-02
<b>Allowable Costs/Cost Principles</b> FA-407-08-01 FA-427-08-01 FA-427-08-02 FA-427-08-100	<b>Period of Availability of Federal Funds</b> FA-440-08-03	<b>Subrecipient Monitoring</b> FA-427-08-15 FA-503-08-02
<b>Cash Management</b> FA-427-08-03 FA-440-08-02	<b>Reporting</b> FA-419-08-02 FA-420-08-01 FA-427-08-09 FA-427-08-10 FA-427-08-11 FA-427-08-12 FA-427-08-13 FA-427-08-14 FA-462-08-01 FA-474-08-01	<b>Special Tests and Provisions</b> FA-427-08-08 FA-427-08-16 FA-533-08-03 FA-533-08-04 FA-533-08-05 FA-533-08-06 FA-548-08-01
<b>Eligibility</b> FA-419-08-01 FA-427-08-04 FA-427-08-05 FA-427-08-06 FA-427-08-07		<b>Accounting Controls (Overall)</b> FA-440-08-01 FA-927-08-01

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described above, we and other auditors consider finding numbers FA-407-08-01, FA-419-08-01, FA-419-08-02, FA-427-08-02, FA-427-08-03, FA-427-08-07 and, FA-427-08-08 to be material weaknesses.

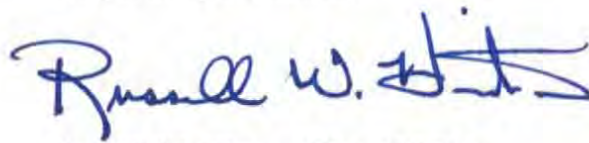
#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Georgia as of and for the year ended June 30, 2008, and have issued our report thereon dated January 16, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Georgia's 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 basic financial statements. Such information has been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The State of Georgia's responses to the findings identified in our audit are described in the Corrective Action Responses to Current Year Audit Findings and Questioned Costs section of the accompanying schedule of *Auditee's Responses*. We did not audit the State of Georgia's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of the State of Georgia, including the Governor and the Georgia General Assembly, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Russell W. Hinton", with a stylized flourish at the end.

Russell W. Hinton, CPA, CGFM  
State Auditor

March 13, 2009

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## **Findings and Questioned Costs**

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## **Summary of Auditor's Results**

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# State of Georgia

## Summary of Auditor's Results For the Fiscal Year Ended June 30, 2008

### Financial Statements

Type of auditor's report issued:

Governmental Activities; Business-Type Activities; Aggregate Discretely Presented Component Units; Major Governmental Funds: General Fund and Georgia State Financing and Investment Commission; Major Proprietary Funds/Enterprise Funds: Higher Education Fund, State Employees' Health Benefit Plan and Unemployment Compensation Fund and Aggregate Remaining Fund Information

Unqualified

Internal control over financial reporting:

Significant Deficiencies identified? Yes

Significant Deficiencies evaluated as Material Weaknesses? Yes

Noncompliance material to financial statements noted? Yes

### Federal Awards

Internal control over major programs:

Significant Deficiencies identified? Yes

Significant Deficiencies evaluated as Material Weaknesses? Yes

Type of auditor's report issued on compliance for major programs:

Child Support Enforcement (CFDA 93.563) Qualified

All other major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

Yes

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
11.611	Manufacturing Extension Partnership
14.235	Supportive Housing Program
14.239	HOME Investment Partnerships Program
17.225	Unemployment Insurance
	Employment Services Cluster
45.310	Grants to States
47.076	Education and Human Resources
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
81.119	State Energy Program Special Projects
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.287	Twenty-First Century Community Learning Centers
	Student Financial Aid Cluster
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
93.767	State Children's Insurance Program
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
	Medicaid Cluster Program

# State of Georgia

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## Summary of Auditor’s Results For the Fiscal Year Ended June 30, 2008

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Child Care and Development Fund Cluster Program
	Research and Development Cluster Program

Dollar threshold used to distinguish between Type A and Type B programs - \$30,000,000.00

Auditee Qualified as low-risk auditee No

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## **Financial Statement Findings**

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# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### FINANCIAL STATEMENT RELATED FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### STATEWIDE

Finding Control Number: **FS-SW-08-01**

**BUDGET**

**Budgetary Compliance Deficiencies**

**Condition:** Based on our examination of Prioritized Program Based Budgeting (PPBB), non-compliance with the 2008 Amended Appropriations Act at the legal level of budgetary control was identified at numerous budget unit organizations. The following deficiencies were noted:

1. The documentation supporting a total of 84 journal entries moving funds between programs or between fund sources within programs were tested. Of the 84 journal entries, 10 (11.9%) were found to be not auditable because of either a lack of documentation or the documentation supplied did not support the transaction.
2. At least three agencies performed allocations of expenditures to programs with no supportable basis for those allocations and at least one agency charged salaries based on the availability of funds and not to the programs the employees worked on.
3. The Department of Transportation had significant accounting deficiencies resulting in an overall year-end deficit that had to be funded from FY 2009 funds.
4. The Department of Labor (a Non-PeopleSoft organization) failed to supply requested documentation on the methodology used to prepare their budgetary comparison schedules.

**Criteria:** The State of Georgia's budget is enacted each year and serves as an internal control to ensure that spending is limited to authorized areas and amounts. For fiscal year 2008, the Georgia General Assembly enacted PPBB for the third consecutive year. The legal level of budgetary control is prescribed by the 2008 Appropriations Act in Section 54 as "...the lowest level of detail for the fund source categories, 'Total State Funds' and 'Total Federal Funds'..." "The summary and lowest level of detail for the fund source categories 'Total Agency Funds' and 'Total Intra-State Governmental Transfers,' are for informational purposes only."

To demonstrate budgetary compliance with the 2008 Appropriations Act, State budget unit organizations must:

1. Record revenues to the appropriate funding source within program.
2. Record expenditures to the correct program at the legal level of budgetary control in an amount not to exceed final budgeted amounts.
3. Record expenditures to the correct program at the legal level of budgetary control in an amount not to exceed actual recorded revenues plus carryover funds.

**Cause:** The State's primary accounting software, PeopleSoft, does not provide reports by fund source within program to allow agencies to adequately monitor monthly budgetary reporting requirements for expenditures, revenues, fund balance and carryover funds. Also, some reporting integrity issues that impact budgetary compliance exist within the system. Lastly, poor internal controls and a general lack of knowledge regarding PPBB requirements exist at several budget unit organizations.

**Effect:** Due to the high percentage of unauditable journal entries and the other noncompliance issues noted, no reliance could be placed upon the validity of the individual budget unit organization's budget comparisons at the legal level of budgetary control, nor could surplus be determined at that level

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

except at Regents, University System of Georgia and the Department of Technical and Adult Education.

**Recommendation:** The State Accounting Office should ensure monthly PeopleSoft reports are available to allow budget unit organizations to track their expenditures, revenues, fund balance and carryover funds at the legal level of budgetary control, fund source within program. The reports provided should have sufficient detail to allow agencies to easily reconcile their budgetary reports to the trial balance and the related subsystem reports. New reports such as a trial balance by fund source within program should be developed and all subsystem reports should contain fund source, program and budget year fields. Additional training and guidance should also be provided to agency personnel to enhance their overall knowledge and ways to improve their internal controls regarding PPBB requirements.

**Finding Control Number: FS-SW-08-02**

REVENUES AND RECEIVABLES

FINANCIAL REPORTING AND DISCLOSURE

Audit Adjustment to Comprehensive Annual Financial Report (CAFR)

**Condition:** The basic financial statements contained in the State of Georgia CAFR, presented for audit by the State Accounting Office, contained a significant misstatement. Prior to being corrected by an audit adjustment, this misstatement of the Internal Service Fund-Risk Management Property Insurance Fund, was an understatement of both Assets (accounts receivable) and Revenues in the amount of \$45,015,874.97. This misstatement involved both the Governmental Activities and the Remaining Funds – Aggregated Opinion Units.

**Criteria:** Internal controls over the period-end financial reporting process should include controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles. Further, these internal controls should be sufficiently designed/in-place to identify misstatements due to error or fraud.

**Cause:** The significant misstatement related to the Property Insurance Fund occurred because of the failure of the State Accounting Office to accrue revenue for insurance recoveries related to liabilities they adjusted for as of fiscal year-end.

**Effect:** Insufficient internal controls over the period-end financial reporting process increases the risk that material misstatements in the State of Georgia's financial statements will occur and not be detected and may cause a dependency on the external audit function to detect significant and/or material misstatements.

**Recommendation:** The State Accounting Office should ensure the State's financial statements as presented for audit conform to generally accepted accounting principles. This includes ensuring that revenue recognition criteria are applied, as appropriate. Also, internal control policies and procedures over the period-end financial reporting process should be strengthened to include enhanced final analytical reviews. Effective use of analytical procedures, as an internal control, is essential when consolidating financial statements of a complex entity such as the State of Georgia. Analytical procedures are beneficial in understanding variations among certain data in the absence of known conditions to the contrary.

**Finding Control Number: FS-SW-08-03**

EXPENSES/EXPENDITURES AND LIABILITIES

FINANCIAL REPORTING AND DISCLOSURE

Deficiencies in Reporting of Operating and Capital Leases

**Condition:** Operating and capital leases information submitted to the State Accounting Office (SAO) was tested at the following agencies:

Secretary of State  
Department of Juvenile Justice

Department of Revenue



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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

The following deficiencies were noted in our testing:

1. A review of the lease forms submitted to the SAO by the Secretary of State revealed three (3) instances where leases on buildings or equipment were classified as operating leases although the terms of the lease agreements met the criteria for a capital lease. The annual cost of these lease agreements were \$5,328 (Pitney Bowes), \$897,514 (City of Macon), and \$2,437,502 (The University Financing Foundation).
2. The Department of Revenue improperly reported two (2) operating leases to the SAO. These leases were reported to include non-lease amounts, such as maintenance expense. This resulted in an overstatement of operating leases by \$150,597.
3. The Department of Revenue failed to report two (2) existing leases on the lease forms to the SAO. These expense amounts, and resulting understatement, were determined to be \$45,509.
4. The Department of Juvenile Justice failed to report lease expense for three (3) leases in effect in FY2008. These expense amounts, and resulting understatement, were determined to total \$5,906 for both FY2008 and FY2009, \$4,434 for FY2010, and \$160 for FY2011.
5. The Department of Juvenile Justice failed to properly complete the capital leases form submitted to SAO. The agency erroneously completed the "Future Fiscal Year Minimum Lease Payments" section of the form to include current fiscal year lease expense and reported all subsequent years' expense in the incorrect years. As a result, capital leases were overstated for FY2009 by \$228,362. Further, capital leases were understated by \$22,052 for FY2011, \$137,158 for FY2012, \$210,016 for FY2013, and \$16,234 for FY2014 and beyond.

**Criteria:** Section Three (3) of the State of Georgia Accounting Procedures Manual identifies the requirements for classifying a lease as a capital lease. All leases not meeting these requirements should be classified as operating leases.

FAS 13, "Accounting for Leases," paragraph 5(j)(i), states that maintenance expense should not be recorded as lease expense. FAS 13 has been adopted by the Governmental Accounting Standards Board (GASB).

Good internal controls dictate that lease documents submitted to the SAO should be complete and accurate and free from misstatement.

**Cause:** These deficiencies are a result of errors and a general lack of knowledge regarding the proper classification and reporting of leases on behalf of the three reporting entity organizations.

**Effect:** Misstatements regarding both Operating Leases and Capital Leases were noted for the fiscal year.

**Recommendation:** The reporting entity organizations, in conjunction with the State Accounting Office, should develop and implement additional training, policies, procedures and controls to ensure that leases are properly accounted for, and that the lease information and annual lease reports provided by the agencies for accumulation within the State's CAFR are accurate, complete, and free from misstatement.

## DEPARTMENT OF ADMINISTRATIVE SERVICES

Finding Control Number: **FS-403-08-1**

EXPENSES/EXPENDITURES AND LIABILITIES

Questionable Workers' Compensation Claims Processing Charges

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Condition:	Based on the agreements with third party service providers, the Department of Administrative Services (DOAS) pays various processing charges for the Workers' Compensation claims filed. Of the 5,735 Workers' Compensation claims filed from July 2007 through March 2008, a total of 34, or 0.59%, was found to have been reported to the third party service provider twice. This resulted in DOAS paying \$12,427.91 to the service providers for claims processing that could have been avoided.
Criteria:	It is incumbent on every State agency to use taxpayers' funds prudently and cut wasteful and unnecessary spending.
Information:	DOAS Risk Management contracts for services with The Network, Inc. and Key Risk Management Services, Inc. as third party vendors to process Workers' Compensation claims. The Network, Inc. runs the claim intake center; the call center that receives and records new claims. The Network, Inc. charges \$16.75 per call.
Information:	Key Risk Management Services, Inc. is the third party administrator that manages the claims adjudication process and provides claims adjustment services. For claims that have a wage component such as disability payments, Key Risk Management Services, Inc. charges \$768.00 per claim. For claims that are strictly medical and employees are out of work less than one week, the charges are \$150.00 per claim.
Cause:	The failure of the management of DOAS' Risk Management Services to have adequate internal controls in place to identify overcharges by the third party service providers.
Effect:	Payments made to third party service providers for processing Workers' Compensation claims that are considered unnecessary and an inappropriate use of funds.
Recommendation:	The management of DOAS' Risk Management Services should establish policies and procedures that identify duplicate claim processing charges and ensure that their agreements with the third party service providers contain assurances that DOAS will not be billed or will receive refunds for those claims.

## DEPARTMENT OF EDUCATION

Finding Control Number: **FS-414-08-01**

ACCOUNTING CONTROLS (Overall)

Inadequate Controls over the Academic Coach Program

**Condition:** Our investigation of the Georgia Department of Education's (GDOE) Academic Coach Program found the program failed to achieve program objectives, as set forth in its enabling legislation (Senate Bill 34), during the fiscal years (FY) 2006 and 2007. In each fiscal year, the GDOE entered into a contractual arrangement with the Oconee Regional Educational Service Agency (RESA) to assist in the implementation of the program. During FY 2006 and 2007, we determined the Oconee RESA expensed approximately \$1.2 million in state funds received from the GDOE. However, no money was paid to academic coaches in the form of salary supplements or bonuses in exchange for mentoring other public school teachers, one of Senate Bill's primary purposes.

Our investigation of the program found the following:

The majority of expenditures of the Academic Coach Program for FY 2006 and 2007 did not comply with Senate Bill 34.

Expenditures of the Academic Coach Program included payments to the following:

- Relatives of the Oconee RESA Director
- Oconee RESA employees through outside company names
- GDOE Academic Coach Program Manager

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Relatives of the GDOE Academic Coach Program Manager
- Former GDOE employees; and
- Current (at the time of payment) GDOE employee.

Expenditures of the Academic Coach Program included improper program expenditures, and payments for above-market prices, including payments to relatives of the Oconee RESA Director and the GDOE Academic Coach Program Manager.

All Academic Coach sub-contractors/consultants paid by the Oconee RESA worked without written contracts, and services were not acquired at competitive prices.

Certain program deliverables provided by sub-contractors/consultants were 'verbal' while many of the program deliverables appear to have been performed in support of the Program Director's doctoral dissertation.

**Information:** Certain deficiencies disclosed in this audit finding were self reported by GDOE.

**Cause:** GDOE's decision to contract with the Oconee RESA transferred state appropriated funds into a weak control environment.

There was not a clear-cut delineation of responsibility between the GDOE and the Oconee RESA.

GDOE 'next-level' management did not provide adequate supervision of the Academic Coach Program Manager, nor was oversight of the contract sufficient to ensure the objectives of the program were met.

**Recommendation:** Due to the severity of the matters disclosed in this report, we recommend that GDOE management consult with the Attorney General of the State of Georgia to determine an appropriate course of action to be taken regarding the resolution of the findings, including the consideration of a possible criminal investigation.

The GDOE should re-examine its current business processes and practices to ensure that contractual arrangements with outside consultants and/or vendors are in the best interest of the State of Georgia. The GDOE should also strengthen its contract management and oversight to ensure that the terms/deliverables of the contracts are achieved.

## DEPARTMENT OF COMMUNITY HEALTH (\*)

Finding Control Number: **FS-419-08-01**

EXPENSES/EXPENDITURES AND LIABILITIES

Reserve for Encumbrances

**Criteria:** The Department of Community Health is responsible for accurately reporting reservations of fund balance. A reserve for encumbrances should be reported when a commitment resulting from a contract, purchase order, salary agreement, travel claim or other such commitments remains unsatisfied and the actual expenditure will be made after year-end. Amounts which represent liabilities as well as amounts for which the commitment no longer exists should not be reflected for encumbrances.

**Condition:** We noted management initially encumbered \$102 million of funds which were also reported as payables at June 30, 2008. During our examination of the remaining encumbrances, we noted purchase orders related to contract commitments which no longer existed or were applied to the wrong fiscal year. Four purchase orders totaling \$7 million or roughly 7% should have been unencumbered prior to year-end and two purchase orders totaling \$3.6 million of fiscal year 2009 expenditures were inappropriately applied to fiscal year 2008 encumbrances.

**Context:** The above conditions were adjusted in the financial statements for the year ended June 30, 2008.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Effect:** The design and operation of the Department of Community Health's controls over reporting encumbrances at year-end did not prevent or detect financial statement misstatements in a timely manner.
- Cause:** The Department of Community Health's controls did not include routine formal documentation from the appropriate contract business owners to the financial services area supporting the need to maintain encumbrances. Additionally, the procedures used to document a contract termination or renewal were not always fully utilized to communicate amounts which should remain encumbered.
- Recommendation:** We understand management's reluctance to release encumbrances when the potential exists that a future invoice may yet be presented for payment. However, we recommend the Department of Community Health enhance and formalize routine communication with contract business owners to ensure encumbrances are released for commitments which no longer exist or have been satisfied.

**Finding Control Number: FS-419-08-02**  
**REVENUES AND RECEIVABLES**  
**Federal Accounts Receivables**

- Criteria:** The Department of Community Health is responsible for accurately reporting accounts receivable in the annual financial statements. As part of that responsibility, the Department of Community Health is required to reconcile amounts reported in the financial statements to amounts recorded in the general ledger as well as to other special reports. The very nature of a reconciliation process involves justifying and verifying amounts that are considered to be reconciling items. Reconciliations of the respective amounts should be performed periodically and timely, and the process and results thereof should be reviewed and adequately supervised. The preparer should seek assistance and consultation when warranted.
- Condition:** As part of the audit process, we requested support for the amount of accounts receivable due from the federal government reflected in the Department of Community Health's financial statements. We received a calculation/reconciliation from Department of Community Health personnel which attempted to support the amounts reported in the respective financial statements.
- During our analysis of the reconciliation, we noted certain reconciling descriptions and amounts approximating \$73 million which did not appear to be appropriate. We discussed the matter with the individual responsible for the reconciliation; however, we were not satisfied with the response. Upon further analysis, we were able to determine certain amounts reflected in the reconciliation could not be supported and should not be included in the reconciliation, and other reconciling amounts which were required had been omitted or inaccurately shown in the reconciliation.
- Subsequent to our determination of the problems and the respective resolutions, the party responsible for the reconciliation acknowledged the fact that incorrect information was used due to an inability to determine the correct information.
- Context:** The design and operation of the Department of Community Health's controls over reporting accounts receivable due from the federal government at year-end were not in place to prevent or detect potential financial statement misstatements in a timely manner.
- Effect:** The above conditions were considered and analyzed with the finalization of the Department of Community Health's financial statements as of and for the year ended June 30, 2008. Numerous corrections to the items included in the reconciliations were determined to be necessary.
- Cause:** The Department of Community Health did not properly and timely approach the need for reconciling amounts due from the federal government. We noted the fact that one individual was involved in the preparation of the reconciliations for which we observed no evidence of adequate supervision, consultation or review. Further, the party responsible did not adequately understand the accounting

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

matters affecting the reconciliation process, and the ultimate need to verify and justify all reconciling items.

Recommendation: We recommend the Department of Community Health consider the following:

- Place people in positions commensurate with their experience, knowledge, and ability.
- Train and cross-train those personnel on the responsibilities of their position(s).
- Emphasize the need for responsible personnel to consult with others in the Department of Community Health when the situation dictates.
- Perform a better and more complete reconciliation process of the accounts receivable. This requires a change in certain elements of the conceptual framework currently being performed.
- Require reconciliations of accounts receivable be performed at least quarterly.
- Stress the need for accountability, and the fact that all effort must be justifiable and verifiable.
- Supervise, manage and review the results and efforts of individuals, and challenge the responsible parties on the propriety of information.

### GEORGIA FORESTRY COMMISSION

Finding Control Number: **FS-420-08-01**  
BUDGET PREPARATION/EXECUTION  
GENERAL LEDGER  
Deficiencies in Program Budget Monitoring

Condition: The Georgia Forestry Commission submitted post-closing program budget journal entries to the State Accounting Office (SAO) during the last week of November. The Commission submitted the journal entries after receiving their financial statements from SAO.

Criteria: Best practices require Agencies to monitor their financial position throughout the year and at year end. Agencies should be aware of any required adjusting entries and be prepared to make those entries during the year end close-out period (period 998). According to the SAO's FY 2008 Close Schedule, Year-End Close Processing ended July 27, 2008.

Cause: Post closing program budget journal entries were required due to the Commission's failure to adequately monitor each of its program budgets at the fund source level.

Effect: The Commission's lack of internal controls over program budgeting could lead to the over-expending of available funds, leading to program deficits and incorrect financial reporting.

Recommendation: The Georgia Forestry Commission should establish policies and procedures to ensure adequate monitoring of its financial position throughout the fiscal year and at year end, and to ensure compliance with the legal level of budgetary control.

### DEPARTMENT OF HUMAN RESOURCES

Finding Control Number: **FS-427-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
BUDGET  
Inadequate Documentation of Allocation Across Budget Programs

Condition: The expenditures relating to five (5) contracts were allocated across different programs without adequate documentation to support the rationale for allocating costs and the methods used in determining the amounts charged to the programs.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Criteria:** The *Accounting Procedures Manual* for the State of Georgia (Manual), Section 5, page 5-4-2, states in part that "Documentation - involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly."
- Information:** Management explained that particular allocations were decided during meetings. However, no evidence of this was presented to the auditor.
- Cause:** The deficiency noted above was a result of the Department of Human Resources' failure to implement adequate internal controls to ensure that the methods used to allocate expenditures across different programs and the rationale for allocating costs were properly documented in accordance with the *Accounting Procedures Manual* for the State of Georgia.
- Effect:** Inaccurate or improper allocation of expenditures could allow management to manipulate the reporting of costs which could serve to prevent exposing the presence of budgetary noncompliance.
- Recommendation:** The Department of Human Resources should develop and implement policies and procedures to ensure that the decision to allocate expenditures across different programs as well as the methods used to distribute the costs are properly documented.

Finding Control Number: **FS-427-08-02**  
ACCOUNTING CONTROLS (OVERALL)  
BUDGET  
EXPENSES/EXPENDITURES AND LIABILITIES  
Inadequate Journal Entry Documentation

- Condition:** Our examination included a review of journal entries that were posted to the Department of Human Resources' (Department) general ledger during fiscal year 2008. This review revealed that an excessive number (over 400) of these journal entries were made during periods 12 and 998 (adjustment period) to the expenditure accounts. The number of journal entries posted in these two periods was more than 30% of the total number of journal entries that were posted to the expenditure accounts for the entire year. This excessive use of journal entries at the end of the fiscal year indicates weaknesses in the Department's internal controls.

In addition to our review of journal entry activity on the general ledger, we examined the supporting documentation maintained by the Department for sixty-two (62) journal entries, of which thirty-two (32) moved expenditures between authorized programs, twenty-nine (29) moved expenditures between funding sources within programs, and one (1) recorded a liability to obligate State funds. We found the following deficiencies with the documentation provided for twenty (20) out of the sixty-two (62) journal entries:

1. The documentation for nineteen (19) journal entries did not provide evidence to substantiate the rationale for moving expenditures between authorized programs or between funding sources within programs.
2. The transaction detail for seventeen (17) journal entries was either not provided or did not agree with the amounts included in the journal entries.
3. (3) The documentation provided for the journal entry that recorded a liability to obligate State funds was not adequate and did not prove that the required criteria for a valid obligation were met. A misstatement totaling \$625,000.00 was identified for this journal entry.

- Criteria:** The Financial Management Policies and Procedures, policy number 4-8-1, issued by the Office of Planning and Budget and State Accounting Office, states that "Documentation should be maintained for adjustments posted during a fiscal year, especially as a part of year-end closing procedures, that allows for the verification of the adjusted transaction to the source documentation supporting the original transaction. Such documentation should include, but is not necessarily limited to, analyses

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

identifying original deposit ID's, purchase orders, voucher ID's or other relevant identifying reference and should identify the original transaction's budget program by fund source or justification for a change in allocation methodology."

Further, the *Accounting Procedures Manual* for the State of Georgia (Manual), Section Five, page 5-4-2, states in part that documentation "...involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly."

**Information:** The Department submitted post-closing entries to reverse three (3) of the journal entries that were identified above as having inadequate documentation. Numerous other post-closing entries were submitted by the Department for fiscal year 2008, several of which were also considered invalid due to inadequate documentation. Audit adjustments totaling \$1,964,311.09 were made to reverse the invalid post-closing entries.

**Cause:** The deficiencies noted above were a result of the Department's failure to implement adequate internal control procedures to ensure compliance with The Financial Management Policies and Procedures and the *Accounting Procedures Manual* for the State of Georgia.

**Effect:** Approving journal entries without adequate supporting documentation may result in a material misstatement in the financial statements including misstatements due to fraud.

**Recommendation:** The Department of Human Resources should develop and implement policies and procedures to ensure that adequate documentation is maintained and reviewed prior to approving journal entries. Additional training on the guidelines included in The Financial Management Policies and Procedures should be provided to employees responsible for preparing and approving journal entries.

Further, the Department should implement additional procedures related to monitoring transactions posted to the subsidiary ledgers during the fiscal year instead of relying on journal entries to correct problems identified just before closing the books.

Finding Control Number: **FS-427-08-03**

CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

**Condition:** Our examination included a review of the Department of Human Resources' (Department) bank reconciliation procedures that were performed on the Child Support, Operating, Payroll, Public Assistance, Women, Infants and Children (WIC), Revenue, and Trust bank accounts. During our examination we noted that the Department made improvements to their bank reconciliation procedures which reduced the number of days needed to prepare and review the bank reconciliations. While improvements were made during fiscal year 2008, the following deficiencies still need to be addressed:

1. The date of review was not documented for two (2) bank reconciliations, and the date prepared was not documented for one (1) bank reconciliation.
2. Numerous book errors identified on the monthly bank reconciliations carried over for extended periods of time without correction.
3. Reconciling items were not properly classified on the bank reconciliations. Four (4) instances were identified where deposits-in-transit or outstanding wire transfers were incorrectly classified as book errors.
4. Transactions that corrected outstanding book errors were often identified separately on the bank reconciliation as a new book error or reconciling item. Nine (9) instances were identified where book errors were offset by other book errors or reconciling items included in the same monthly bank reconciliation.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Criteria:** An adequate system of internal controls dictate that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments which are needed are identified and made in a timely manner, 4) accurate general ledger balances, and 5) evidence of an effective supervisory review and approval function.
- Cause:** The Department's bank account reconciliation process failed to ensure that reconciling items were properly identified and book errors were investigated and corrected in a timely manner. In addition, the Department failed to consistently document the dates that the bank reconciliations were prepared and reviewed.
- Effect:** Failure to maintain an effective bank account reconciliation process increases the risk of misstatement due to fraud and the possible misappropriation of the Department's assets.
- Recommendation:** The Department of Human Resources should review their current internal control procedures in relation to bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process is in place to manage and monitor bank accounts.

**Finding Number: FS-427-08-04**

### REVENUES AND RECEIVABLES

#### Inadequate Procedures Over Cash Draws of Federal Grants

Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)

State Administrative Matching Grants for Food Stamp Program (FSC) (CFDA 10.561)

Public Health Emergency Preparedness (93.069)

Immunization Grants (CFDA 93.268)

Centers for Disease Control (CDC) and Prevention - Investigations and Technical Assistance (CFDA 93.283)

Temporary Assistance for Needy Families (CFDA 93.558)

Child Support Enforcement (CFDA 93.563)

Low-Income Home Energy Assistance (CFDA 93.568)

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

Foster Care - Title IV-E (CFDA 93.658)

Adoption Assistance (CFDA 93.659)

Social Services Block Grant (CFDA 93.667)

HIV Care Formula Grants (CFDA 93.917)

Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)

- Condition:** Our examination of Cash Management over Federal Financial Assistance Programs at the Department of Human Resources (Department) disclosed the following deficiencies:

1. Requests for reimbursement were not sufficient to cover Federal program expenditures. The following table identifies programs that had insufficient cash balances during fiscal year 2008:



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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

CFDA #	Program Name	Number of Months of Insufficient Requests	Average Monthly Insufficient Cash Balance
10.557	WIC Administration	7	(5,800,000.00)
10.561	Food Stamps	5	(5,700,000.00)
93.069	Public Health Emergency Preparedness	6	(2,500,000.00)
93.268	Immunization	5	(1,900,000.00)
93.283	CDC and Prevention - Investigations and Technical Assistance	3	(2,600,000.00)
93.558	TANF	5	(28,900,000.00)
93.563	CSE	2	(5,800,000.00)
93.568	LIHEAP	4	(2,700,000.00)
93.575 & 93.596	CCDF	1	(7,700,000.00)
93.658	Foster Care	1	(3,600,000.00)
93.659	Adoption Assistance	4	(1,600,000.00)
93.667	SSBG	9	(12,500,000.00)
93.917	HIV	1	(1,200,000.00)
93.959	Substance Abuse	8	(6,700,000.00)

- Reimbursements were not recorded on the general ledger in a timely manner. Numerous instances were identified where a reimbursement that was received and deposited was not recorded in the general ledger for over a month later.
- Reimbursements were not accurately recorded in the accounting records. Variances were identified between the reimbursement amounts recorded in the general ledger and amounts reported in the Department's Cash Management Database and the Federal Cash Transactions Report (PSC 272).
- Documentation was not provided to support or identify adjustments that were made to subsequent cash draws for programs that were found to have insufficient cash on hand to cover program expenditures during the performance of the quarterly letter of credit reconciliations.

**Criteria:** The Cash Management and Letter of Credit Procedures of the Department of Human Resources state that the objective of the Department's cash management plan is to draw appropriate amounts of each type of fund available on an as-needed basis to assure that the Department does not have in excess of three days of Federal funds on hand, does not use state funds to subsidize Federal funds, and has sufficient funds to cover checks when they are presented.

**Information:** See related Federal Award finding number FA-427-08-03.

**Cause:** The Department's policies and procedures for requesting, recording, and distributing Federal funds to reimburse program costs were inadequate.

**Effect:** Failure to request, record, and distribute Federal funds in an accurate and timely manner resulted in the use of State funds to subsidize Federal program expenditures and affect the proper recording of Federal program revenues, causing misstatements within the financial statements. Failure to properly record reimbursements in the Cash Management Database results in errors in the calculation of amounts for subsequent reimbursement requests.

**Recommendation:** The Department of Human Resources should review their policies and procedures for requesting, recording, and distributing Federal funds to ensure that they are adequate to meet cash management objectives. The Department should also review the clearance patterns used for drawing Federal funds to ensure that they are still relevant to current trends.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-427-08-05**

### REVENUES AND RECEIVABLES

#### Invalid Accounts Receivable

**Condition:** Our examination included a review of thirty-eight (38) accounts receivable items that were reported in the Department of Human Resources' (Department) accounting records as outstanding for over a year. The following deficiencies were identified during our review of these items:

1. Funds were posted to the incorrect item ID for six (6) accounts receivable items.
2. Credit (negative) balances were reported for two (2) accounts receivable items. These items were identified by the Department as invalid.
3. The amount of funds received for one (1) accounts receivable item was not correctly recorded in the accounting records. The posting error caused a misstatement totaling \$2,926,543.50.

**Criteria:** An adequate system of internal controls dictate that controls be in place to ensure that data for receipts are entered properly, with the correct chart fields, so that payments received reduce corresponding receivables, and that negative receivables are investigated in a timely manner.

**Cause:** The deficiencies noted above occurred as a result of management's failure to properly monitor accounts receivable to ensure that funds received are correctly applied to the corresponding receivable, and to investigate negative accounts receivable.

**Effect:** The failure to properly monitor accounts receivable increases the risk of material misstatements in the financial statements.

**Recommendation:** The Department of Human Resources should implement additional policies and procedures to ensure that accounts receivable items are properly maintained and monitored.

Finding Control Number: **FS-427-08-06**

### EXPENSES/EXPENDITURES AND LIABILITIES

#### Inadequate Controls over Operating Leases

**Condition:** The Department of Human Resources (Department) did not verify that the amounts reported to the State Accounting Office for current and future lease obligations at 2 Peachtree and the institutions (hospitals) agreed with the amounts reported in the accounting records.

**Criteria:** An adequate system of internal controls is one that provides for verification of the information submitted to the State Accounting Office regarding current and future lease obligations. The *Accounting Procedures Manual* for the State of Georgia (Manual), Section 5, page 5-4-3, states in part that "Verification is the determination of the completeness, accuracy, authenticity and/or validity of transactions, events or information."

**Cause:** The Department failed to ensure that adequate internal controls were in place to provide for proper verification of the amounts reported to the State Accounting Office (SAO) for current and future lease obligations.

**Effect:** Inadequate internal controls increase the risk of material misstatement in the financial statements including misstatements due to fraud.

**Recommendation:** The Department of Human Resources should develop and implement adequate internal controls to ensure that the amounts for current and future lease obligations are verified to the accounting records before being submitted to the State Accounting Office.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Number: **FS-427-08-07**

### EXPENSES/EXPENDITURES AND LIABILITIES

#### Inadequate Documentation of Employee Eligibility for Incentive Payment Awards

- Condition:** Our examination included a review of incentive payments that were awarded to twenty-eight (28) Department of Human Resources' (Department) employees to determine if payments were made in accordance with the approved Incentive Awards Program plan, internal policies, and other applicable laws and regulations. We found that documentation of employee eligibility for the incentive payment awards was not adequate. The documentation did not provide evidence to show that the Department had verified that the required criteria necessary to be eligible for an award was met prior to approving the awards for eleven (11) employees.
- Criteria:** The *Accounting Procedures Manual* for the State of Georgia (Manual), Section Five, page 5-4-2, states in part that documentation "...involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly."
- For fiscal year 2008, incentive payments to employees of State organizations were authorized in two ways: 1) The Official Code of Georgia Annotated (OCGA) 45-21-1 through 45-21-9, Employees' Suggestion and Meritorious Awards Program and 2) The Amended Appropriations Act (HB 989), Section 52: Salary Adjustments.
- Cause:** The deficiency noted above occurred as a result of the Department's failure to have policies and procedures in place to ensure that adequate documentation of employee eligibility was maintained and reviewed prior to approving the incentive payment awards.
- Effect:** Awarding incentive payments without adequate documentation of employee eligibility increases the risk of noncompliance with OCGA 45-21-1 through 45-21-9 and the Amended Appropriations Act (HB 989), Section 52: Salary Adjustments.
- Recommendation:** The Department of Human Resources should develop and implement policies and procedures to ensure that adequate documentation of employee eligibility is properly maintained and reviewed prior to approving incentive payment awards.

Finding Control Number: **FS-427-08-08**

### EXPENSES/EXPENDITURES AND LIABILITIES

#### Questionable Encumbrances and Payables

- Condition:** Our examination included a review of the supporting documentation maintained by the Department of Human Resources (Department) for forty-nine (49) encumbrances and nineteen (19) payables with outstanding balances as of June 30, 2008. Twenty-five (25) of the forty-nine (49) encumbrances were established prior to June 30, 2007, and twenty-four (24) were established at the end of fiscal year 2008. All nineteen (19) of the outstanding payables were established prior to June 30, 2007. Our examination revealed the following deficiencies:
1. Outstanding balances for seventeen (17) encumbrances that were established prior to June 30, 2007 were determined to be invalid. Twelve (12) of the seventeen (17) encumbrances were voided by the Department in fiscal year 2009. Adequate documentation was not provided to validate the outstanding balances for five (5) of the seventeen (17) encumbrances that had not been voided in fiscal year 2009. The supporting purchase orders for four (4) of the seventeen (17) encumbrances were never approved.
  2. The supporting contracts and purchase orders for three (3) of the twenty-four (24) outstanding encumbrances that were established at the end of fiscal year 2008 were not signed/approved by the Department as of June 30, 2008.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

3. Outstanding balances for seven (7) of the nineteen (19) payables that were established prior to June 30, 2007 were determined to be invalid.

Criteria: The *Accounting Procedures Manual* for the State of Georgia, Section Three, pages 3-2-1, 3-2-2, and 3-2-3 state, in part: 1) "All appropriated state funds, except for the mandatory appropriations required by this Constitution, remaining unexpended and not contractually obligated at the expiration of such general appropriations Act shall lapse..." 2) "Under the modified accrual basis of accounting it is not sufficient for an economic event to have occurred for an event to effect the operating statement but, in addition, the related cash flow must occur within a short-enough time frame for the event to have an effect on current spendable resources..." and 3) "... transactions which purport to obligate appropriated funds must be supported by an approved purchase order, at a minimum, or an executed contract which contains the following:

- a confirmed vendor,
- specific services or goods,
- specific price for the services or goods, and
- a stated time or range of time for delivery or completion."

The presence of these conditions corresponds to the element of an enforceable contract in that they support the concept of mutual assent.

Cause: The Department failed to follow the guidelines as outlined in Sections 3-2-1 through 3-2-3 of the *Accounting Procedures Manual* for the State of Georgia.

Effect: Open encumbrances at fiscal year end which do not contain the required criteria, as identified above, are not considered to be contractually obligated at the expiration of the general appropriations act. The establishment of encumbrances failing to meet the required criteria result in budgetary expenditure/liabilities being overstated with surplus (lapse) being understated.

Recommendation: The Department of Human Resources should implement additional policies and procedures to ensure that encumbrances are recorded as an obligation of state funds only when supported by the required criteria and that any obligated funds that remain unexpended at the completion of a contract are lapsed in accordance with the *Accounting Procedures Manual* for the State of Georgia.

Finding Control Number: **FS-427-08-09**

### EXPENSES/EXPENDITURES AND LIABILITIES

#### Unrecorded Liabilities

Condition: The Department of Human Resources (Department) failed to record a total of \$103,250.48 in expenditures and related liabilities at fiscal year end.

Criteria: Section 3-2-2 of the *Accounting Procedures Manual* for the State of Georgia states that "...expenditures are required to be recorded when a financial event is expected to draw upon current financial resources." In addition, generally accepted accounting principles require that expenditures be recognized as soon as a liability is incurred.

Cause: The Department failed to maintain adequate accounting controls to ensure that expenditures are recorded in the proper accounting period.

Effect: The failure to record expenditures in the proper accounting period increases the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Human Resources should implement appropriate internal controls to ensure that expenditures are recorded in the proper accounting period.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### JUDICIAL COUNCIL

Finding Control Number: **FS-434-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
GENERAL LEDGER  
Failure to Maintain a Comprehensive Balance Sheet

- Condition: The Judicial Council did not maintain a comprehensive balance sheet in the PeopleSoft accounting system for each of the two agencies the Council was maintaining the accounting records for.
- Criteria: The Judicial Council was responsible for maintaining the accounting records for the Juvenile Courts, and should have procedures in place to accurately report the activity of these agencies separately.
- Cause: The Judicial Council utilized "organization codes," which is not a self-balancing chartfield in the PeopleSoft, to account for the financial activity of the agencies.
- Effect: Maintaining the records in this manner made it difficult for management of the two agencies to understand their financial position at any given point in time.
- Recommendation: Procedures need to be developed to ensure separate accountability for the entities the Judicial Council is responsible for.

### SUPERIOR COURTS

Finding Control Number: **FS-436-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
CASH INVESTMENTS AND INVESTMENT RELATED ACTIVITY  
GENERAL LEDGER  
Failure to record reconciling items on General Ledger

- Condition: A review of the general ledger, bank reconciliations, and adjusting entries maintained by the Superior Courts revealed significant deficiencies in the recording of reconciling items noted on the bank reconciliations.
- Criteria: The *Accounting Procedures Manual* for the State of Georgia, Section 1-9-1 states in part: "Trial balances, adjusting entries, and other financial statements preparation audit documentation should be retained in order to provide a clear audit trail from the organization's accounting records to balances listed on the financial statements."
- Cause: These deficiencies were the result of a failure to record book reconciling items on the general ledger in a timely manner.
- Effect: As a result of the deficiencies noted, Cash and Cash Equivalents is overstated by \$739,534.17
- Recommendation: The Superior Courts along with assistance from the Prosecuting Attorney's Council should take immediate action to correct the deficiencies noted above. Procedures should be implemented to ensure that book reconciling items are made to the general ledger in a timely manner.

### DEPARTMENT OF LABOR

Finding Control Number: **FS-440-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
Inadequate Supporting Documentation for Adjusting Journal Entries

See related Federal Award finding number FA-440-08-01.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Condition:** Our examination included a review of adjusting journal entries that were posted to the Department of Labor's (Department) general ledger for the month of June 2008 for the major Federal programs. The adjusting journal entries reviewed allocated overhead costs to specific programs, transferred expenses between grant years within programs, or transferred expenses between programs. We noted that the supporting documentation for certain adjusting journal entries was inadequate. The supporting documentation did not contain adequate explanations for the purpose of the journal entries, information was not provided to support the amounts adjusted, nor were there any indication of specific transactions being adjusted.
- Criteria:** The Financial Management Policies and Procedures, policy number 4-8-1, issued by the Office of Planning and Budget and State Accounting Office, states that "Documentation should be maintained for adjustments posted during a fiscal year, especially as a part of year-end closing procedures, that allows for the verification of the adjusted transaction to the source documentation supporting the original transaction. Such documentation should include, but is not necessarily limited to, analyses identifying original deposit ID's, purchase orders, voucher ID's or other relevant identifying reference and should identify the original transaction's budget program by fund source or justification for a change in allocation methodology."
- Further, the *Accounting Procedures Manual* for the State of Georgia (Manual), Section Five, page 5-4-2, states in part that documentation "...involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly."
- Information:** Upon request, additional information was provided by the Department to explain the purposes of the adjusting journal entries, however, specific transactions being adjusted could not be identified.
- Cause:** The deficiencies noted above were a result of the Department's failure to implement adequate internal control procedures to ensure compliance with The Financial Management Policies and Procedures and the *Accounting Procedures Manual* for the State of Georgia.
- Effect:** Approving journal entries without adequate supporting documentation may result in a material misstatement in the financial statements including misstatements due to fraud.
- Recommendation:** The Department of Labor should develop and implement policies and procedures to ensure that adequate documentation is maintained and reviewed prior to approving journal entries. Additional training on the guidelines included in The Financial Management Policies and Procedures should be provided to employees responsible for preparing and approving journal entries.

**Finding Control Number: FS-440-08-02**  
**BUDGET**  
**Program Budgeting Deficiencies**

- Condition:** The Department of Labor's (Department) accounting system does not generate a budget comparison report by program and fund source that complies with the Prioritized Program Based Budgeting requirements of the Appropriations Act as approved by the Georgia General Assembly. Also, we were unable to tie federal expenses from the budget comparison report, in total, to Labor's grant activity schedule.
- Criteria:** The State of Georgia's budget, as approved in the Appropriations Act, is enacted each year and serves as a control to ensure that spending is limited to authorized areas and amounts. For the fiscal year under review, the Georgia General Assembly enacted Prioritized Program Based Budgeting for the third consecutive year. The Department must demonstrate their compliance by reporting their revenues and expenditures by fund source within program as compared to their budget.
- Cause:** This deficiency is due to the limitations of the accounting system utilized by the Department to report their activity in a manner that is prescribed by the Appropriations and Amended Appropriations Acts.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Effect:** Without a system generated budget comparison report by program, it is doubtful that the Department was monitoring their expenditures against their program budgets throughout the fiscal year. Also, because the amounts on the budget comparison report do not agree in total with their grant activity schedule is an indication that the budget comparison is not accurate.

**Recommendation:** The Department of Labor should program their accounting system to create a budget comparison report that complies with the requirements of Prioritized Program Based Budgeting. This report should reconcile to the trial balance report by fund source. In addition, a detailed report should be created to support the activity by program and fund source as reported in the program-based budget comparison report.

**Finding Control Number:** FS-440-08-03

**CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY**

**Inadequate Bank Reconciliation Procedures**

**Condition:** The Department of Labor (Department) did not perform adequate bank reconciliation procedures on the Budget Fund bank accounts. Exceptions noted were as follows:

1. The reconciled book amount on the bank reconciliation for the Roosevelt Warm Springs Resident Benefit Fund account for the month of May, 2008 was inaccurate due to an incorrect disbursement amount posted on the bank reconciliation. Also, the reconciled book amount on the bank reconciliation for the Roosevelt Warm Springs Resident Benefit Fund account for the month of June, 2008 did not agree with the reconciled book amount on the bank reconciliation for the quarter ending June, 2008.
2. The bank reconciliation for the Georgia Industries for the Blind imprest account for the quarter ending September, 2007 did not include all reconciling items. Also, the bank reconciliations for the Savannah imprest account for the quarters ending December, 2007 and March, 2008 contained improper reconciling items.
3. The Cave Springs Vending account contained no indication of the identity of the preparer of the bank reconciliations for the months of July, 2007 through March, 2008. Also, the reconciliations for the month of January, 2008 and the quarter ending June, 2008 were not dated for the preparation, review and approval.
4. Bank reconciliations for the Cave Springs Vending account for the months of July, 2007 and August, 2007, the Roosevelt Warm Springs Roberts Trust Fund account for the month of August, 2007, and the Vocational Rehabilitation Snack Bar account for the month of June, 2008 contained incorrect beginning book balances.
5. The deposits in transit on the bank reconciliations for the Vocational Rehabilitation Snack Bar account for the months of July, 2007 and February, 2008, the Roosevelt Warm Springs Resident Benefit Fund account for the month of September, 2007, the Roosevelt Warm Springs Golf Canteen account for the month of September, 2007, and the Roosevelt Warm Springs Community Worksite account for the months of April, 2008 through June, 2008 were not supported by a detailed listing. Also, the outstanding checks on the bank reconciliations for the Roosevelt Warm Springs Resident Benefit Fund account for the months of November, 2007 and February, 2008, and the Vocational Rehabilitation Snack Bar account for the months of April, 2008 and May, 2008, were not supported by a detailed listing.
6. Bank reconciliations for the Administrative and DAS & VR (Disability Adjudication Services and Vocational Rehabilitation) accounts contained reconciling items that carried over for extended periods of time without correction.

**Criteria:** An adequate system of internal controls dictate that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation,

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

2) reconciling items correctly identified by description and amount, 3) adjustments which are needed are identified and made in a timely manner, 4) accurate general ledger balances and 5) evidence of an effective supervisory review and approval function.

**Cause:** These deficiencies were the result of the Department's failure to adequately manage and monitor the Budget Fund bank accounts.

**Effect:** The deficiencies noted above increase the risk of material misstatement in the financial statements including misstatements due to fraud.

**Recommendation:** The Department of Labor should review their current internal control procedures in relation to bank reconciliations and implement additional policies and procedures as needed to ensure an effective bank reconciliation process is in place to manage and monitor the Budget Fund bank accounts.

**Finding Control Number: FS-440-08-04**

REVENUES AND RECEIVABLES

GENERAL LEDGER

Deficiencies in General Ledger and Federal Fund Ledgers

**Condition:** Our examination included a review of the internal controls and accounting procedures utilized by the Department of Labor (Department) in recording their Federal program activity. Our review of the general ledger disclosed that there was a negative (credit) balance for the Federal accounts receivable account. In addition, our review of the Federal fund ledgers disclosed forty-seven (47) fund ledgers that reported accounts receivable with a negative (credit) balance.

**Criteria:** Accounts receivables should have a positive (debit) balance and Federal funds should only be drawn down as needed to cover Federal expenditures charged to that particular fund ledger.

**Information:** A post-closing journal entry for \$18,535,184.38 was made for reporting purposes to reclassify the negative (credit) accounts receivables to deferred revenue.

**Cause:** The deficiencies noted above were the result of the Department's failure to monitor Federal fund ledgers within the general ledger in a timely manner.

**Effect:** Failure to monitor and correct Federal fund ledgers within the general ledger in a timely manner may affect the proper recording of Federal program cash draws which could result in an interest liability being incurred.

**Recommendation:** The Department of Labor should review its current policies and procedures for the monitoring and correcting of Federal fund ledgers within the general ledger to ensure that all Federal fund ledgers are frequently reviewed and monitored to correct fund ledgers that contain accounts receivable with negative (credit) balances.

**Finding Control Number: FS-440-08-05**

REVENUES AND RECEIVABLES

GENERAL LEDGER

Inadequate Procedures Over Cash Draws of Federal Grants

See related Federal Award finding number FA-440-08-02.

**Condition:** Our examination of Cash Management over Federal Financial Assistance Programs at the Department of Labor (Department) disclosed the following deficiency:

Requests for reimbursement were not sufficient to cover Federal program expenditures. The following table identifies programs that had insufficient cash balances during fiscal year 2008:



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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

CFDA #	Program Name	Number of Months of Insufficient Requests	Average Monthly Insufficient Cash Balance
17.ESC	Employment Service Cluster	6	(4,678,000.00)
17.225	Unemployment Insurance Administration	4	(2,591,000.00)

**Criteria:** The Code of Federal Regulations Title 31, Chapter II, Section 205.33 states, in part: "The timing and amount of funds transfers must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs."

**Cause:** The Department's policies and procedures for requesting and recording Federal funds to reimburse program costs were inadequate.

**Effect:** Failure to request Federal funds in an accurate and timely manner resulted in the use of State funds to subsidize Federal program expenditures and affect sub-ledgers within the general ledger in a timely manner may affect the proper recording of Federal program revenues and expenses, which could result in material misstatement in the financial statements.

**Recommendation:** The Department of Labor should review their policies and procedures for requesting and recording Federal funds to ensure that they are adequate to meet cash management objectives. The Department should also review the clearance patterns used for drawing Federal funds to ensure that they are still relevant to current trends.

**Finding Control Number:** **FS-440-08-06**

### EXPENSES/EXPENDITURES AND LIABILITIES

#### Failure to Calculate Unemployment Compensation Benefits According to State Law

**Condition:** The Department of Labor (Department) failed to calculate unemployment compensation benefits in accordance with State law.

**Criteria:** House Bill 443 amended Chapter 8 of Title 34 of the Official Code of Georgia Annotated so as to provide changes in the weekly benefit amount. House Bill 443 states: "Said chapter is further amended in Code Section 34-8-193, relating to the determination of the weekly benefit amount, by revising subsections (a), (b), and (c), as follows:

(a) The weekly benefit amount of an individual's claim shall be that amount computed by dividing the two highest quarters of wages paid in the base period by 42 (changed from 44). Any fraction of a dollar shall then be disregarded. Wages must have been paid in at least two quarters of the base period and total wages in the base period must equal or exceed 150 percent of the highest quarter base period wages. For claims that fail to establish entitlement due to failure to meet the 150 percent requirement, an alternative computation shall be made. In such event, the weekly benefit amount shall be computed by dividing the highest single quarter of base period wages paid by 21 (changed from 22). Any fraction of a dollar shall then be disregarded. Under this alternative computation, wages must have been paid in at least two quarters of the base period and total base period wages must equal or exceed 40 times the weekly benefit amount. Regardless of the method of computation used, wages must have been paid for insured work, as defined in Code Section 34-8-41."

**Information:** House Bill 443 became effective on July 1, 2007. The Department of Labor paid unemployment compensation benefits using the incorrect calculation method until November 29, 2007. On May 12, 2008, the Department notified claimants whose claims were filed between July 1, 2007 and November 30, 2007 that their benefits were affected by the calculation error and may have been underpaid.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Cause:** The Department's controls were inadequate to ensure the timely update of its calculations for unemployment compensation benefits to comply with changes in State law.
- Effect:** Unemployment compensation weekly benefits were not calculated in compliance with State law, potentially causing underpayments of unemployment compensation benefits made to claimants. Failure to pay unemployment compensation benefits in accordance with State law affects the proper recording of expenses, which could result in material misstatement in the financial statements.
- Recommendation:** The Department of Labor should review their current internal control procedures in relation to the calculation of unemployment compensation benefits and implement additional policies and procedures to ensure that unemployment compensation benefits are calculated and paid in accordance with all State benefit requirements and that the benefit expense account balance within the Unemployment Compensation fund is correctly stated.

Finding Control Number: **FS-440-08-07**

### EXPENSES/EXPENDITURES AND LIABILITIES

#### Inadequate Supporting Documentation

- Condition:** Our examination included a review of supporting documentation for encumbrances at fiscal year end for the Department of Labor (Department). We noted that the supporting documentation contained contradictory information regarding the intended allocation of the expense to State, Federal and Other fund ledgers.
- Criteria:** The Accounting Procedures Manual for the State of Georgia (Manual), Section Five, Page 5-4-3, states in part that "Documentation of transactions should enable managers to trace each transaction from its inception through its completion. This means the entire life cycle of the transaction should be recorded, including initiation and authorization, processing, and final classification." To achieve this, the information in the supporting documentation must be consistent.
- Information:** The encumbrance documentation contained contracts which provided an allocation of the expense between the State, Federal and Other fund ledgers. Also contained in the encumbrance documentation was another directive from the Department for the allocation of the expense between the State, Federal and Other fund ledgers. We noted that in some instances, the contract and the directive were contradictory. The Department informed us that the allocation on the directive superseded the allocation on the contract.
- Cause:** The Department failed to maintain supporting documentation for the encumbrances showing consistent information regarding the allocation of expenses between State, Federal, and Other fund ledgers.
- Effect:** Failure to maintain adequate supporting documentation may affect the proper recording of expenses, which could result in material misstatements in the financial statements.
- Recommendation:** The Department of Labor should review its current policies and procedures for the compilation and maintenance of supporting documentation for expenses within in the general ledger and implement additional policies and procedures to ensure that adequate and consistent supporting documentation is maintained for expenses.

Finding Control Number: **FS-440-08-08**

### EXPENSES/EXPENDITURES AND LIABILITIES

#### Overpayment of Unemployment Compensation Benefits

- Condition:** Our examination of claimants who received unemployment compensation benefits in excess of the maximum weekly benefit amount or in excess of the maximum benefit amount in a benefit year revealed the following exceptions:

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

1. The Department of Labor's (Department) host-based system did not include adequate edits to prevent the weekly benefit amount from exceeding the established weekly maximum benefit amount.
2. The Department's host-based system did not include adequate edits to prevent dual payments for the same week ending date under the various unemployment compensation programs.
3. There was a lack of supervisory review and approval procedures over the issuance of deficiency checks.
4. There were eighty-eight (88) overpayments of unemployment compensation benefits for a total of \$23,640.00.

**Criteria:** An adequate system of internal controls requires that policies and procedures concerning unemployment compensation benefits be implemented and adequately followed to prevent, identify, and collect overpayments.

**Cause:** The deficiencies noted above were the result of the Department's lack of, or failure to follow, existing policies and procedures with regards to overpayments of unemployment compensation benefits.

**Effect:** Failure to implement and follow established policies and procedures with regards to overpayments of unemployment compensation benefits increases the risk of material misstatement in the financial statements including misstatements due to fraud.

**Recommendation:** The Department of Labor should review their current policies and procedures with regards to the overpayments of unemployment compensation benefits to ensure that the policies and procedures are adequately implemented and followed in all instances.

**Finding Control Number: FS-440-08-09**

**EXPENSES/EXPENDITURES AND LIABILITIES**

**GENERAL LEDGER**

**Overstatement of Account Balance**

**Condition:** Our examination included a comparison of prior and current fiscal year account balances for the Department of Labor (Department) in order to identify significant changes. We noted a significant increase in the Contracts expense account. The Contracts account balance for fiscal years 2007 and 2008 was \$21,473,569.28 and \$50,530,384.31, respectively, which was an increase of \$29,056,815.03, or 135% increase in the account. Research of the account balance revealed that this account was overstated as presented on the general ledger due to posting errors.

**Criteria:** The Department's management is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are properly approved, documented, processed and posted on the general ledger.

**Information:** After inquiring to the Department of Labor about the overstatement, a post closing journal entry for \$32,760,947.10 was made by the Department to correct the overstatement in the account balance.

**Cause:** The deficiency noted above was the result of the Department's failure to monitor and correct account balances within the general ledger in a timely manner.

**Effect:** Failure to monitor and correct account balances within the general ledger in a timely manner increases the risk of material misstatement in the financial statements including misstatements due to fraud.

**Recommendation:** The Department of Labor should review current policies and procedures regarding maintaining accurate account balances and implement additional policies and procedures as needed to ensure accurate account balances are maintained in the general ledger.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-440-08-10**

GENERAL LEDGER

Deficiencies in Account Balances

**Condition:** Our examination included a review of the general ledger for the Department of Labor's (Department) Unemployment Compensation fund as presented for audit. The following deficiencies were noted:

1. The balance in the accounts receivable account was overstated. Our sample revealed overstated transactions in the amount of \$387,557.60.
2. The balance in the deferred revenue account was overstated. Our sample revealed overstated transactions in the amount of \$366,103.69.

**Criteria:** Generally accepted accounting principles require that proprietary funds be reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

**Information:** The Department maintains the Unemployment Compensation Fund on a cash basis of accounting. Adjustments are made at year end to convert the general ledger to the accrual basis of accounting.

**Cause:** The deficiencies noted above were a result of the Department's failure to have adequate policies and procedures in place to convert their general ledger to the accrual basis of accounting as required by generally accepted accounting principles.

**Effect:** The failure by the Department to maintain an effective general ledger process can result in material misstatements in the financial statements and increase the risk of misstatement due to fraud.

**Recommendation:** The Department of Labor should develop policies and procedures to ensure the proper reporting of accounts receivable for contributory tax and deferred revenue within their financial statements in conformity with generally accepted accounting principles.

Finding Control Number: **FS-440-08-11**

GENERAL LEDGER

Inadequate General Ledger

**Condition:** The Department of Labor (Department) utilizes a secure, ongoing host-based application to process and account for transactions relating to the State of Georgia Unemployment Insurance Program, whereas the general ledger utilized by the Department to produce the financial statements for the Unemployment Compensation Fund is an Excel-based set of spreadsheets which are manually updated on a daily basis from reports and information produced by the host application. This type of setup is commonly referred to as "end-user computing." The general ledger utilized by the Department is inadequate due to being basically a set of ongoing cash sheets. The current system is incapable of producing accrual based accounting financial statements or of providing a detail of account balances.

**Criteria:** For all State organizational units, the Accounting Procedures Manual for the State of Georgia requires for financial accountability purposes, that accounting records be uniformly maintained. Also, in order to eliminate potential information systems security concerns with the processing environment and in order to be able to rely on accounting data and other information produced by the systems which are maintained as end-user computers, traditional internal control procedures (i.e., reconciling, balancing, etc.) must be in place and operating without flaws.

**Cause:** This condition is due to the Department's failure to develop or purchase a sufficient accounting system to utilize as a general ledger for the Unemployment Compensation Fund.

**Effect:** The failure to maintain an effective general ledger process increases the risk of material misstatement in the financial statements including misstatements due to fraud. In addition, there is potentially

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

unsupported and/or unauditable financial statement account balances and lack of data integrity if traditional internal controls are not in place and operating effectively.

**Recommendation:** The Department of Labor should seek to develop or obtain a new accounting system to serve as its general ledger for the Unemployment Compensation Fund. This new accounting system should be capable of accrual based accounting and be totally integrated, if possible, with the host-based application.

### DEPARTMENT OF JUVENILE JUSTICE

Finding Control Number: **FS-461-08-01**

#### EXPENSES/EXPENDITURES AND LIABILITIES

##### Questionable Encumbrances and Payables

**Condition:** Our examination included a review of the supporting documentation maintained by the Department of Juvenile Justice (Department) for forty (40) encumbrances and forty-six (46) payables with outstanding balances as of June 30, 2008. Our examination revealed the following deficiencies:

1. Outstanding balances totaling \$135,255.59 for seventeen (17) encumbrances that were established prior to June 30, 2007 were determined to be invalid. Three (3) of the seventeen (17) encumbrances were voided by the Department in fiscal year 2009. Adequate documentation was not provided to validate the outstanding balances for fourteen (14) of the seventeen (17) encumbrances that had not been voided in fiscal year 2009.
2. One (1) payable for \$5,425.75 that was established in June 2008 was voided in fiscal year 2009.

**Criteria:** The *Accounting Procedures Manual* for the State of Georgia, Section Three, pages 3-2-1, 3-2-2, and 3-2-3 state, in part: 1) "All appropriated state funds, except for the mandatory appropriations required by this Constitution, remaining unexpended and not contractually obligated at the expiration of such general appropriations Act shall lapse." 2) "Under the modified accrual basis of accounting it is not sufficient for an economic event to have occurred for an event to effect the operating statement but, in addition, the related cash flow must occur within a short-enough time frame for the event to have an effect on current spendable resources..." 3) "... transactions which purport to obligate appropriated funds must be supported by an approved purchase order, at a minimum, or an executed contract which contains the following:

- a confirmed vendor,
- specific services or goods,
- specific price for the services or goods, and
- a stated time or range of time for delivery or completion."

The presence of these conditions corresponds to the element of an enforceable contract in that they support the concept of mutual assent.

**Information:** An audit adjustment was made to correct the misstatements identified above. The adjustment increased the Departments' surplus by \$140,681.34.

**Cause:** The Department failed to follow the guidelines as outlined in Sections 3-2-1 through 3-2-3 of the *Accounting Procedures Manual* for the State of Georgia.

**Effect:** Open encumbrances at fiscal year end which do not contain the required criteria, as identified above, are not considered to be contractually obligated at the expiration of the general appropriations act. The establishment of encumbrances failing to meet the required criteria result in budgetary expenditure/liabilities being overstated with surplus (lapse) being understated.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Recommendation:** The Department of Juvenile Justice should implement additional policies and procedures to ensure that encumbrances are recorded as an obligation of state funds only when supported by the required criteria and that any obligated funds that remain unexpended at the completion of a contract are lapsed in accordance with the *Accounting Procedures Manual* for the State of Georgia.

### DEPARTMENT OF NATURAL RESOURCES

Finding Control Number: **FS-462-08-01**

CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

**Condition:** The Department of Natural Resources (Department) failed to perform adequate bank reconciliation procedures on their bank accounts. Exceptions noted were:

1. Bank reconciliations, as presented for review, were inaccurate for the June 2008 Operating account, and the February 2008 and June 2008 Lodge Receipt account.
2. There were unidentified reconciling items on the January 2008 Park Receipts account.
3. There was a reconciling item that is not properly classified on the January 2008 Park Receipt account.

**Criteria:** An adequate system of internal controls dictate that bank reconciliations be performed, at a minimum, on a monthly basis, and as appropriate, include the following: (1) adequate supporting documentation, (2) reconciling items correctly identified by description and amount, and (3) adjustments that are identified are made in a timely manner.

**Cause:** The deficiencies noted above were the result of the Department's failure to adequately manage and monitor the bank reconciliation process.

**Effect:** The failure to maintain an effective bank reconciliation process increases the risk of material misstatement in the financial statements including misstatement due to fraud.

**Recommendation:** The Department of Natural Resources should review current internal control procedures regarding their bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process.

Finding Control Number: **FS-462-08-02**

EXPENSE/EXPENDITURES AND LIABILITIES

Unrecorded Liabilities

**Condition:** The Department of Natural Resources (Department) failed to record a total of \$263,819.04 in expenditures and related liabilities at fiscal year end.

**Criteria:** Section 3-2-2 of the *Accounting Procedures Manual* for the State of Georgia states that "...expenditures are required to be recorded when a financial event is expected to draw upon current financial resources." In addition, generally accepted accounting principles require that expenditures be recognized as soon as a liability is incurred.

**Cause:** The Department failed to maintain adequate accounting controls to ensure that expenditures are recorded in the proper accounting period.

**Effect:** The failure to record expenditures in the proper accounting period increases the risk of material misstatement in the financial statements including misstatement due to fraud.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Recommendation:** The Department of Natural Resources should implement appropriate internal controls to ensure that expenditures are recorded in the proper accounting period.

**Finding Control Number:** FS-462-08-03

EXPENSES/EXPENDITURES AND LIABILITIES

Exceptions Related to Purchasing Card Transactions

**Condition:** The Department on Natural Resources (Department) failed to maintain adequate internal controls over their purchasing card program in accordance with the *Accounting Procedures Manual* for the State of Georgia, the State of Georgia Purchasing Card Program Administrative and User's Guide, and the Georgia Department of Natural Resources Purchasing Card Policies and Procedures.

Our review included an examination of active cardholders and transaction documentation involving state purchasing card transactions. The following exceptions were noted:

1. Five (5) instances were noted in which Georgia sales tax was charged to the transaction for a combined total of \$94.94.
2. Four (4) instances were noted in which the original invoices could not be located for a combined total of \$1,217.80.
3. Three (3) instances were noted in which the transactions were for drinking water for the employees of the Department for a combined total of \$453.50.
4. Five (5) instances were noted where items were purchases by individuals that did not have authorization to purchase the items for a combined total of \$1,632.21.
5. Three (3) instances were noted in which the transactions were split to avoid exceeding the single transaction limit amount for a combined total of \$5,208.00.
6. One (1) instance was noted in which an item was purchased for a vendor that is not a state contracted vendor for a total of \$1,750.00.

**Criteria:** The *Accounting Procedures Manual* for the State of Georgia, Section Five, pages 5-1-1 and 5-1-2 states, in part: 1) "Each State organization is responsible for adopting an internal control framework that is suitable for the type of services they provide..." 2) "Each State organization has a responsibility to assess their internal control system and use this information to design, implement, and monitor internal controls that are suitable for their organization."

In addition, the *Accounting Procedures Manual* for the State of Georgia, Section Five, Page 5-4-2 states, in part: 1) "Documentation – involves preserving evidence to substantiate a decision, event, transaction or system. All documentation should be complete, accurate, and reported promptly. Documentation should contribute to achieving the State organization's mission, help managers in controlling their operations, and assist in analyzing operations."

Section 2.4 of the State of the State of Georgia Purchasing Card Program Administrative and User's Guide states that the Visa card cannot be used to buy motor vehicle fuel, professional services, personal purchases, cash advances, gift cards, or travel and entertainment expenses (with the exception of "airline tickets purchased on or off a statewide contract and rental car payments on statewide contract and pre-approved team and/or student pre-approved travel for authorized travelers"). In addition, "...purchase transactions may not be split into two or more transactions to avoid the single transaction limit. Such activity constitutes an improper use of the Purchasing Card."

Section 3.1 of the State of Georgia Purchasing Card Program Administrative and User's Guide states that when making a purchase using the card, the supplier must be notified that the purchase is exempt from Georgia State sales tax and provided with a copy of the exemption certificate.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Cause:** The Department did not ensure that adequate internal controls were implemented correctly to fully comply with provisions of the *Accounting Procedures Manual* for the State of Georgia, the State of Georgia Purchasing Card Program Administrative and User's Guide, and/or the Department's own Purchasing Card Manual.
- Effect:** Inadequate internal controls can result in the misappropriation of assets, misstatement of the financial statements, inaccurate decision making regarding current and future purchasing card purchases and decisions, the lack of required information for reporting both to State and Federal agencies, and potential abuse.
- Recommendation:** The Department of Natural Resources should review their current policies and procedures regarding the overall purchasing card process. In addition, the Department should establish controls to ensure compliance with transaction documentation and authorization guidelines.

Finding Control Number: **FS-462-08-04**

### CAPITAL ASSETS

#### Inadequate Capital Asset Records – Land

- Condition:** The accounting procedures of the Department of Natural Resources (Department) were insufficient to provide adequate internal controls over the Department's Land management system. The Department failed to properly record capital assets in accordance with the *Accounting Procedures Manual* for the State of Georgia.
- Criteria:** The Accounting Procedures Manual for the State of Georgia (Manual) requires that capital assets be reported by category at historical cost or estimated historical cost when actual records are not available. Historical costs should include ancillary charges necessary to place the asset in its intended condition for use. The Manual also requires that state organizations maintain a complete and accurate capital asset inventory record.
- Information:** A review of land subsidiary listing (Land Database) revealed that seventy-seven (77) land items approximating 17,856 acres were recorded at amounts other than historical cost or fair value for donated items. The Department could not provide documentation to support amounts reported for these land items. No procedures were implemented during the fiscal year to ascertain estimated historical costs or fair value for these land items.
- Seventy-two (72) items were selected from the subsidiary listing to verify accuracy of total land recorded. The Department could not provide documentation to support capitalized costs of \$339,931.00 for ancillary costs necessary to purchase land. Also, the Department incorrectly recorded amounts for four ancillary costs necessary to purchase land.
- The subsidiary listing for Land Capital Assets did not agree with the Capital Assets Ledger as reported to the State Accounting Office. No procedures were implemented to ensure the subsidiary listing is reconciled to amounts reported to the State Accounting Office.
- Cause:** These deficiencies are a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are accounted for and reported in accordance with guidelines established by the *Accounting Procedures Manual* for the State of Georgia.
- Effect:** The Department could place itself in a condition where potential misrepresentation of financial position could occur.
- Recommendation:** The Department of Natural Resources should develop appropriate policies and procedures to ensure that all of the Department's Land is properly accounted for and reported in accordance with guidelines established by the *Accounting Procedures Manual* for the State of Georgia.



# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-462-08-05**

### CAPITAL ASSETS

#### Inadequate Capital Asset Records – Buildings and Building Improvements

**Condition:** The accounting procedures of the Department of Natural Resources (Department) were insufficient to provide adequate internal controls over the Department's Buildings and Building Improvements management system. The Department failed to properly record and maintain capital assets in accordance with the *Accounting Procedures Manual* for the State of Georgia.

**Criteria:** The *Accounting Procedures Manual* for the State of Georgia (Manual) requires that capital assets be reported by category at historical cost or estimated historical cost when actual records are not available. Historical costs should include ancillary charges necessary to place the asset in its intended condition for use. The Manual also requires that state organizations maintain a complete and accurate capital asset inventory record.

**Information:** The Department incorrectly recorded capitalized costs of Buildings and Building Improvements, and also did not provide sufficient documentation to support the amounts capitalized for Buildings and Building Improvements. The exceptions are noted as follows:

1. The Department recorded capitalized cost of \$6,500,000.00 for a lodge and conference center located at Amicalola Falls State Park. According to documentation obtained from the Department, the total cost of the lodge and conference center was \$7,318,723.33.
2. The Department recorded capitalized cost of \$1,800,000.00 for an Education Center located at Mansfield, Georgia. According to documentation obtained from the Department, the total cost of the Education Center was \$1,309,823.00.
3. The Department recorded capitalized cost of \$2,500,000.00 for a lodge located at Little Ocmulgee State Park. The Department does not have any supporting documentation to support the amount capitalized.
4. The Department recorded capitalized costs of \$2,000,000.00 for a lodge at George T. Bagby State Park. According to documentation obtained from the Department, the total cost of the lodge was \$2,897,954.83; however, the documentation did not include all the costs of the building.
5. The Department recorded capitalized cost of \$3,028,916.00 for a lodge located at Smithgall Woods Conservation Area. According to documentation obtained from the Department, the appraised value of the buildings purchased was \$1,012,000.00 and the costs of building and renovations were \$536,333.26, for a total cost of \$1,548,333.26.
6. The Department recorded capitalized cost of \$2,800,000.00 for a lodge located at Red Top Mountain State Park. According to documentation obtained from the Department, the total cost of the lodge was \$2,952,576.00.
7. The Department recorded capitalized cost of \$2,600,000.00 for a regional office located at Brunswick, Georgia. According to documentation obtained from the Department, the total cost of the regional office was \$2,771,940.19.

**Cause:** The deficiencies noted above are a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are accounted for and reported in accordance with guidelines established by the *Accounting Procedures Manual* for the State of Georgia.

**Effect:** The Buildings and Building Improvements balances are misstated. The extent of the misstatement cannot be determined.

**Recommendation:** The Department of Natural Resources should develop appropriate policies and procedures to ensure

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

that all of the Department's Buildings and Building Improvements are properly accounted for and reported in accordance with guidelines established in the *Accounting Procedures Manual* for the State of Georgia.

Finding Control Number: **FS-462-08-06**

### CAPITAL ASSETS

#### Inadequate Capital Asset Records – Improvements Other Than Buildings

**Condition:** The accounting procedures of the Department of Natural Resources (Department) were insufficient to provide adequate internal controls over the Department's Improvements Other Than Buildings management system. The Department failed to properly record and maintain capital assets in accordance with the *Accounting Procedures Manual* for the State of Georgia. The Department recorded capitalized cost of \$9,263,775.00 for three new state-park golf course additions. According to documentation provided by the Department, the total costs actually paid were \$8,743,222.28. The Department was unable to provide supporting documentation for amounts recorded in the capital asset records.

**Criteria:** The *Accounting Procedures Manual* for the State of Georgia (Manual) requires that capital assets be reported by category at historical cost or estimated historical cost when actual records are not available. Historical costs should include ancillary charges necessary to place the asset in its intended condition for use. The Manual also requires that state organizations should maintain accurate capital asset inventory records.

**Cause:** These deficiencies are a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are accounted for and reported in accordance with guidelines established by the *Accounting Procedures Manual* for the State of Georgia.

**Effect:** Improvements Other Than Buildings are misstated. The extent of the misstatement cannot be determined.

**Recommendation:** Management should develop appropriate policies and procedures to ensure that all of the Department's Improvements Other Than Buildings are properly accounted for and reported in accordance with guidelines established in the *Accounting Procedures Manual* for the State of Georgia.

Finding Control Number: **FS-462-08-07**

### CAPITAL ASSETS

#### Inadequate Capital Asset Records – Machinery and Equipment

**Condition:** The Department of Natural Resources (Department) does not have sufficient controls in place to ensure that all equipment items are recorded correctly, have the correct descriptions, and are in the designated location as reported on the capital asset inventory listing. As part of a department-wide sample of machinery and equipment, a total of 28 items were selected for testing. The following exceptions were noted in relation to these items:

1. Three Items were found to be surplus, but still appeared on the listing.
2. One item could not be located.
3. Five items were not located in the designated location as reported on the capital asset inventory listing.

**Criteria:** The *Accounting Procedures Manual* for the State of Georgia, Section Three, Page 3-1-29 requires that, "Accurate subsidiary capital asset inventory records must be maintained."

**Cause:** The Department failed to develop and implement adequate policies and procedures that ensured decal numbers, item descriptions, and locations were recorded in the capital asset inventory records.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Effect:** Failure to properly identify and document the location of all capital assets could result in the misappropriation of assets and a material misstatement of the financial statements.
- Recommendation:** The Department of Natural Resources should develop and implement appropriate policies and procedures to ensure that all capital assets listed on the capital asset inventory records can be identified by decal number, description and location.

### DEPARTMENT OF CORRECTIONS

Finding Control Number: **FS-467-08-01**

#### CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

##### Inadequate Bank Reconciliation Procedures and Outstanding Checks for Over One Year

- Condition:** The Department of Corrections did not perform adequate bank reconciliation procedures on its bank accounts. As a result, reconciling items were not made to the general ledger in a timely manner. Also, the outstanding checks list for the operating, payroll and inmate release accounts included checks that have been outstanding for over one year.
- Criteria:** An adequate system of internal controls calls for the performance of a monthly bank reconciliation between the bank statement and the general ledger in a timely manner. Each reconciling item should be appropriately accounted for and identified. Adjustments should be made to the general ledger for reconciling items when applicable. The *Accounting Procedures Manual* for the State of Georgia, Section 4-6, states in part: "checks over a year old should be cancelled or voided."
- Cause:** These deficiencies were the result of the Department's failure to adequately manage and monitor the bank reconciliation process, including adjusting the general ledger in a timely manner when applicable. Outstanding checks over one year old have not been reviewed to determine the appropriate action to take.
- Effect:** The failure to maintain an effective bank reconciliation process increases the risk of material misstatements in the financial statements including misstatements due to fraud. Outstanding checks over one year old still reported in the bank reconciliation could result in a violation of the Unclaimed Property Act OCGA 44-12-190 through 44-12-235.
- Recommendation:** The Department of Corrections should implement additional policies and procedures to ensure an effective bank reconciliation process is in place, and reconciling items are reviewed and adjusted to the general ledger in a timely manner when applicable. In addition, the Department should review outstanding checks and implement policies and procedures to account for outstanding checks in accordance with the *Accounting Procedures Manual* for the State of Georgia.

### BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA

Finding Control Number: **FS-472-08-01**

#### FINANCIAL REPORTING

##### Balance Sheet Transactions Were Not Properly Reported At The Balance Sheet Date

- Condition:** At year end, insurance premiums due from various Units of the University System were incorrectly recorded as cash receipts instead of accounts receivable.
- Criteria:** In order to conform to Generally Accepted Accounting Principles (GAAP) proper cutoff procedures should be observed when recording balance sheet activity.
- Information:** Testing of balance sheet activity revealed that cash was overstated and accounts receivable were understated in the financial statements presented for audit.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Cause:** At year end, the system office kept their general ledger open for several days past year end. Insurance premiums received during this time period were incorrectly posted as cash receipts for fiscal year 2008 instead of fiscal year 2009 as appropriate.
- Effect:** Cash was overstated and accounts receivable were understated on the 2008 financial statements presented for audit. By not adhering to a strict closing of the general ledger at June 30th, the system office's controls for maintaining proper cutoff procedures of balance sheet transactions was compromised.
- Recommendation:** Management should implement and monitor procedures over balance sheet cutoff dates and ensure balance sheet line items are properly reported as of the balance sheet date.

### DEPARTMENT OF REVENUE

Finding Control Number: **FS-474-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
REVENUES AND RECEIVABLES  
Inadequate Accounting Procedures

- Condition:** The postmark date is not being entered into the Sales Tax Database for delinquent Sales Tax Returns, which nullifies the system edit that would deny ineligible vendor's compensation and impose penalties and interest.
- Criteria:** According to the Department of Revenue's Data Capture Procedures for Data Entry of Sales Tax Returns, all documents in a delinquent batch must have a postmark date and the earliest received date should be entered.
- Cause:** This deficiency is the result of management's failure to adequately oversee data entry to ensure that all applicable data is being captured, and that all applicable system edits are functioning as intended.
- Effect:** The failure to adequately oversee the data entry function allows ineligible taxpayers to receive vendor's compensation and avoid applicable penalties and interest.
- Recommendation:** The Department of Revenue should implement policies and procedures to ensure that all applicable data for Sales Tax Returns is captured, and that all system edits functions are working as intended.

Finding Control Number: **FS-474-08-02**  
ACCOUNTING CONTROLS (OVERALL)  
GENERAL LEDGER  
Deficiencies in Controls over Journal Entries

- Condition:** The Department of Revenue's internal control policies and accounting procedures were not sufficient to provide for proper supervisory review and approval of journal entries, nor to provide for adequate supporting documentation for manual journal entries. Our examination of the monthly Sales Tax Distribution journal entries revealed that all four of the November distribution journal entries lacked evidence of supervisory review and approval. In addition, our examination of 30 manual journal entries revealed 4 journal entries with no supporting documentation.
- Criteria:** An adequate system of internal controls requires proper supervisory review and approval of journal entries, as well as adequate supporting documentation, prior to posting to the accounting records.
- Cause:** These deficiencies are a result of management's failure to implement adequate policies and procedures to ensure proper supervisory review and approval of all journal entries, and adequate documentation of all journal entries.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Effect:** The failure to provide evidence of supervisory review and approval and to include adequate documentation for journal entries increases the risk of material misstatements in the financial statements including misstatements due to fraud.

**Recommendation:** The Department of Revenue should implement additional policies and procedures to ensure that supervisory review and approval of all journal entries is documented. In addition, all journal entries should be supported by adequate documentation.

**Finding Control Number:** FS-474-08-03

**CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY**

**Inadequate Accounting Procedures**

**Condition:** The Department of Revenue did not perform adequate bank reconciliation procedures on the Income Tax - Control Disbursement Account. General ledger reconciling items in the amount of \$15,928,626.84 were not adequately identified and an unidentified difference of \$1,952,298.22 was listed on the reconciliation. Also, reconciling items identified during the bank reconciliation process were not corrected in a timely manner, with some items dating back to Fiscal Year 2005.

**Criteria:** Good internal control practices dictate that bank reconciliations are performed and adjustments are identified and corrected in a timely manner. Completed reconciliations should also be subjected to an independent supervisory review to ensure accuracy and completeness.

**Cause:** These deficiencies were the result of the Department's failure to adequately manage and monitor the Income Tax - Control Disbursement Account.

**Effect:** The cash balance per the general ledger for the Income Tax – Control Disbursement Account is misstated. Due to the age of some of the bank reconciling items, the bank may be unwilling to correct certain errors causing the general ledger balance to be further misstated.

**Recommendation:** The Department of Revenue should implement additional policies and procedures to properly reconcile the Income Tax - Control Disbursement Account and follow up on all reconciling items with the bank or post documented adjustments to the general ledger.

**Finding Control Number:** FS-474-08-04

**CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY**

**Inadequate Accounting Procedures**

**Condition:** The Department of Revenue did not perform adequate bank reconciliation procedures on the Payroll account. Exceptions noted were as follows:

1. The bank reconciliations were not prepared timely, with 11 months prepared after year-end.
2. General ledger reconciling items in the amount of \$194,942.18 were not adequately identified.
3. There was an unaccounted for difference of \$8,344.95 every month.
4. Reconciling items identified during the bank reconciliation process were not corrected in a timely manner because of the long delay in the preparation of bank reconciliations.
5. Old outstanding checks in the amount of \$49,603.65 were still listed on the bank reconciliation.

**Criteria:** Good internal control practices dictate that bank reconciliations are performed and adjustments are identified and corrected in a timely manner. Completed reconciliations should also be subjected to an independent supervisory review to ensure accuracy and completeness.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Cause:** These deficiencies were the result of the Department's failure to adequately manage and monitor the Payroll Account.
- Effect:** The cash balance per the general ledger for the Payroll Account is misstated. Due to the age of some of the bank reconciling items, the bank may be unwilling to correct certain errors causing the general ledger balance to be further misstated.
- Recommendation:** The Department of Revenue should implement additional policies and procedures to properly reconcile the Payroll Account and follow up on all reconciling items with the bank or post documented adjustments to the general ledger.

Finding Control Number: **FS-474-08-05**

### REVENUES AND RECEIVABLES

#### Deficiencies in the Income Tax Division Subsidiary Records

- Condition:** The Taxpayer Services Division of the Department of Revenue does not adequately track data received from companies and individuals concerning taxpayer wages, income tax withholdings or estimated payments of Georgia income tax.
- Criteria:** The *Accounting Procedures Manual* for the State of Georgia, Section Five, provides that management should establish policies and procedures to enable management to monitor the reliability of reporting systems. Such policies and procedures should include periodic review of reports to ensure data are accurate, reliable, and measuring the appropriate things, as well as, integrating or reconciling information used to manage operations with data generated by the financial reporting system.
- Cause:** These deficiencies were the result of management's failure to design and implement needed procedures, programs or systems.
- Effect:** The Taxpayer Services Division cannot ensure, in all cases, that the withholding amount claimed by the taxpayer on the annual income tax return is accurate or that all known taxable income is reported as income.
- Recommendation:** The Department of Revenue should design and implement a system that will provide for the systematic reconciliation of income and withholding data received from employers and individuals with Form W-2 and other documents filed with year-end individual tax returns.

Finding Control Number: **FS-474-08-06**

### REVENUES AND RECEIVABLES

#### EXPENSES/EXPENDITURES AND LIABILITIES

#### Failure to Reconcile A/R and A/P to the General Ledger

- Condition:** Review of the Department of Revenue's accounts receivable and accounts payable accounts revealed the following deficiencies:
- Six of the eight accounts receivable reconciliations reviewed contained unknown variances.
- Of the five accounts payable reconciliations reviewed, two contained unknown variances and for the other three accounts, which are fiduciary accounts, no subsidiary listing was available to support the balance in the accounts.
- Criteria:** The general ledger should be reconciled with subsidiary ledgers as a routine matter with any variances noted and resolved in a timely manner.
- Cause:** These deficiencies are a result of management's failure to implement adequate policies and procedures to ensure reconciliations performed identify all variances with proper supporting documentation.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Effect:** Accounts receivable and accounts payable balances in the general ledger were not supported by detail on relevant subsidiary ledgers. Financial statements could be misstated.

**Recommendation:** Management should implement additional policies and procedures to ensure that balances in the general ledger are routinely reconciled with relevant subsidiary ledgers with any variances noted and resolved in a timely manner.

**Finding Control Number:** FS-474-08-07

REVENUES AND RECEIVABLES

GENERAL LEDGER

Failure to Reconcile Subsidiary Systems to PeopleSoft

**Condition:** The Department of Revenue did not provide “year-in-total” reconciliations to PeopleSoft for Electronic Funds Transfer, MailCash, Central Taxpayer Accounting, and the Georgia Registration and Title Information System.

**Criteria:** The *Accounting Procedures Manual* for the State of Georgia, Section Five, provides that management should establish policies and procedures to enable management to monitor the reliability of reporting systems. Such policies and procedures should include periodic review of reports to ensure data are accurate, reliable, and measuring the appropriate things, as well as, integrating or reconciling information used to manage operations with data generated by the financial reporting system.

**Cause:** These deficiencies are a result of management’s failure to design and implement the procedures necessary to perform the “year-in-total” reconciliations.

**Effect:** The failure to perform the “year-in-total” reconciliations increases the risk of material misstatements in the financial statements.

**Recommendation:** The Department of Revenue should establish adequate policies and procedures to perform the “year-in-total” reconciliations between the subsidiary systems and PeopleSoft. To aid in this process, it would be beneficial for each individual area that provides revenue collection information to Central Accounting, to reconcile their collection records to amounts posted to PeopleSoft.

**Finding Control Number:** FS-474-08-08

GENERAL LEDGER

Inadequate Accounting Procedures

**Condition:** Various balance sheet asset accounts at June 30th had credit balances totaling \$4,026,987.87. After adjusting journal entries made by the State Accounting Office, the balance sheet asset accounts have a remaining credit balance totaling \$694,425.97.

**Criteria:** Generally accepted accounting principles dictate that asset accounts should generally have debit balances while liabilities and fund equity accounts should generally have credit balances recorded in the general ledger.

**Cause:** The deficiency is caused by the Department’s failure to review and adjust balance sheet accounts during the year and at year-end.

**Effect:** The effect of this condition is to cause the financial records to potentially understate assets.

**Recommendation:** The Department should develop appropriate policies and procedures to ensure that balance sheet accounts are reviewed, reconciled, and appropriately adjusted on a regular basis.

# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-474-08-09**

GENERAL LEDGER

Ending Balances in Balance Sheet Clearing Accounts

Condition: Our review of the general ledger balance sheet clearing accounts revealed that three clearing accounts contained balances at June 30, 2008, as follows:

- 196030 \$(559,613.78)
- 196119 \$2,711,445.17
- 296001 \$24,910.10

After adjusting journal entries made by the State Accounting Office, the clearing accounts remaining balances totaled \$2,711,445.17.

Criteria: In accordance with the *Accounting Procedures Manual* for the State of Georgia, Section Three, page 3-4-1 states: "Balance sheet clearing accounts have been provided in the State Chart of Accounts to facilitate the accumulation of transactions which are later distributed to appropriate accounts. Care should be taken to ensure that clearing accounts do not have balances at the end of each reporting period since such accounts should not be listed on either budgetary or GAAP financial statements."

Cause: This deficiency was a result of management's failure to ensure that all clearing account balances were properly distributed to appropriate accounts on the general ledger.

Effect: Balances remaining in the clearing accounts at fiscal yearend could cause the financial statements to be misstated and could lead to erroneous decisions by the Department's management.

Recommendation: The Department should ensure that clearing account balances have been distributed to the appropriate accounts at the end of each accounting period and that no balances remain in the clearing accounts at fiscal yearend in accordance with the *Accounting Procedures Manual* for the State of Georgia.

## DEPARTMENT OF TRANSPORTATION

Finding Control Number: **FS-484-08-01**

ACCOUNTING CONTROLS (OVERALL)

GENERAL LEDGER

The GDOT avoided a statutory deficit at June 30, 2008 by the recognition of FY 2009 State Motor Fuel appropriations in the amount of \$456,219,590.73.

Our testing of the GDOT's Balance Sheet (statutory basis) – Budget Fund as of June 30, 2008 indicated the Department had a preliminary deficit of \$456,219,590.73.

The preliminary statutory deficit as of June 30, 2008 was avoided by the recognition of FY 2009 State Motor Fuel appropriations in the amount of \$456,219,590.73. As a result of this accrual, the State Motor Fuel Reserve as of June 30, 2008 was adjusted to \$0.00. This accrual of "out year" funds to avoid a statutory deficit was possible because:

1. The Governor had signed the FY 2009 General Appropriations Act prior to the close of fiscal year 2008 (May 14, 2008). Once an appropriations act has become effective, an agency may begin to obligate the 'out year' funds for "out year" activities, and
2. The GDOT had approximately \$3.9 billion in outstanding obligations (unearned contract payments) as of June 30, 2008 that would be earned in "out years." Of the \$3.9 billion, the preliminary statutory deficiency represented future payables in need of available funds to encumber.



# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### What caused the "preliminary" deficit? A change in accounting principles or a change in operations?

The accounting principles utilized in the preparation of the 2008 audited statutory-basis financial statements were consistent with the accounting principles utilized by the Georgia Department of Transportation for decades. Speculation that "accounting changes" were responsible for the "preliminary" deficit detected during the course of this audit is not correct. Based on our examination, business process changes utilized during fiscal year 2007 (**Exhibit 1**), appear to be responsible for the "preliminary" deficit. GDOT revenues were improperly recognized (**Finding No. FS-484-08-02**) during fiscal year 2007 and improper fiscal year 2007 budget amendments (**Finding No. FS-484-08-08**) caused GDOT to appear to be operating within budgetary compliance parameters when in fact they were not.

GDOT statutory-basis financial statements have been published for many years in the *Report of the State Auditor* (through fiscal year 2005) and in the *Budgetary Compliance Report* (2006 to present). These reports are available for inspection at the offices of the Department of Audits and Accounts.

### Analysis of Preliminary Deficit

The opening balance for fiscal year 2008 (July 1, 2007) was restated. Based on our testing, we determined that the June 30, 2007 Federal accounts receivable balance was over-stated by \$2,388,738,059.41. As a result, we have determined that the GDOT opened fiscal year 2008 with a financial position of **(\$2,260,026,681.12)**. This occurred in a fiscal year of extraordinary activity (See **Exhibit 1**). During fiscal year 2008, the financial position marked notable improvement as a result of a slow-down in project lettings, the de-obligation of various outstanding encumbrances, and other adjustments (See **Exhibit 2**).

### Results of Audit

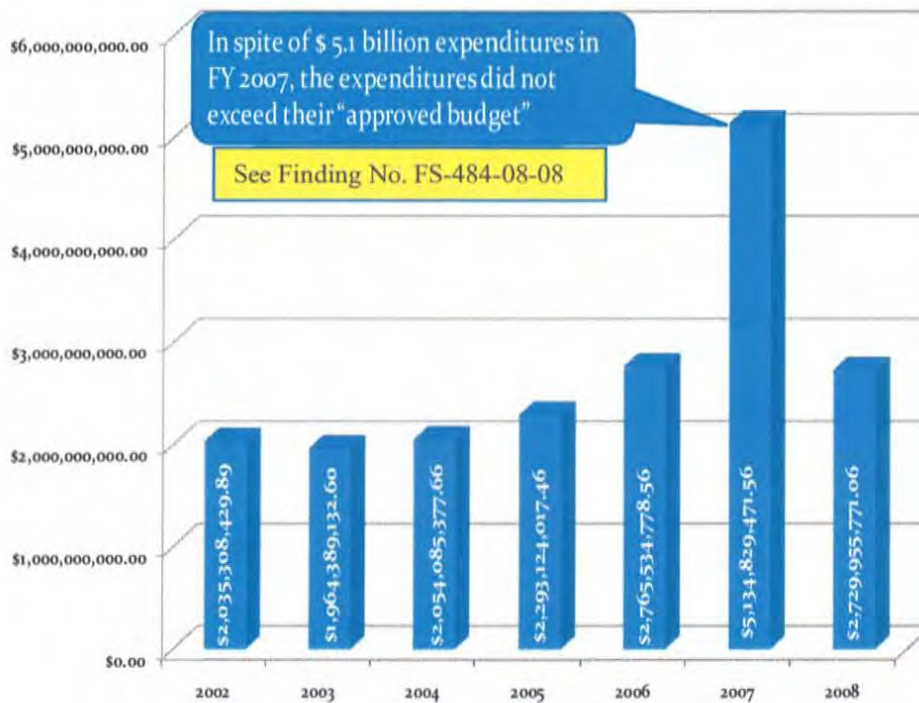
The primary focus of our audit was to determine if the GDOT's statutory financial position and results of operations as of and for the year ended June 30, 2008 were fairly presented in all material respects. Our testing revealed that the GDOT general ledger (unadjusted) was materially misstated as of June 30, 2008. The shortfall, referred to above, is indicative of numerous deficiencies in GDOT's ability to initiate, authorize, record, process, or report financial data reliably. These deficiencies are detailed in Findings FS-484-08-02 through FS-484-08-10 and are summarized as follows:

- Finding FS-484-08-02 - Improper Revenue Recognition
- Finding FS-484-08-03 - General Ledger not suitable for day-to-day operations
- Finding FS-484-08-04 - Sub-ledger deficiencies
- Finding FS-484-08-05 - Contingency Reserve Account
- Finding FS-484-08-06 - Contract monitoring deficiencies
- Finding FS-484-08-07 - Liabilities for Asphalt and Fuel Indices not properly recorded
- Finding FS-484-08-08 - Improper Budget Amendment
- Finding FS-484-08-09 - Weaknesses in GDOT's ability to record process and report contractual Obligations
- Finding FS-484-08-10 - Inadequate accounting records at the *legal level of budgetary control*

# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### EXHIBIT 1 GDOT Yearly Expenditures



### EXHIBIT 2 FY 2008 Results of Operations

Restated Opening Balance		\$ (2,260,026,681.12)
Financial Activity during FY 2008		
Revenue	\$ 3,748,831,369.52	
Expenses	(2,729,955,771.06)	
Net Adjustments to P/Y Activity	806,141,570.91	1,825,017,169.37
Preliminary Fund Balance 6/30/2008		\$ (435,009,511.75)
Adjustment to Accrue FY 2009 SMF Funds		456,219,590.73
Final Fund Balance 6/30/2008		\$ 21,210,078.98 *

The results of operations during FY 2008 significantly improved GDOT's financial position

\* Note: The \$ 21,210,078.98 is comprised of

- Reserve for Inventories	12,408,867.72
- Other Reserves	5,257,433.61
- State General Fund Surplus	3,543,777.65

# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-484-08-02**

REVENUES AND RECEIVABLES

GENERAL LEDGER

Improper revenue recognition criteria were utilized by the GDOT that resulted in improper “advanced construction” projects being initiated prematurely

Based on our audit of the financial statements (statutory basis) – Budget Fund as of June 30, 2008, we found the Georgia Department of Transportation’s general ledger was overstated for accounts receivables/revenues for GARVEE Bond proceeds and General Obligation (G.O.) Bond proceeds in the amount of \$407,364,951.00 and \$407,656,652.90, respectively. GDOT post-closing journal entries were necessary to reduce the overstated receivables/revenues for the statutory financial statements as of June 30, 2008 to be fairly stated. In addition, we found the Georgia Department of Transportation’s general ledger was overstated for accounts receivables/revenues for FHWA and other Federal grants in the amount of \$3,668,065,830.43 and \$56,493,024.58, respectively.

### *GARVEE Bonds*

The GDOT administers projects funded by GARVEE bonds of the State Road and Tollway Authority. Under Official Opinion 2001-10 of the Attorney General of Georgia, by agreement with the State Road and Tollway Authority, GDOT may recognize as an accounts receivable the amount of proceeds of a planned issuance of GARVEE bonds.

Based on our examination, we found there was not an intergovernmental agreement between the State Transportation Board and the SRTA to justify the recognition of \$407,364,951.00 (this \$407,364,951.00 is above the recognizable \$600 million provided for in the June 30, 2008 agreement with the State Road and Tollway Authority).

### *G.O. Bonds*

G. O. Bond proceeds are derived from the issuance of G.O. Bonds by the Georgia State Financing and Investment Commission (GSFIC). Issuance of G.O. bonds are subject to authorization by the Georgia General Assembly and are for capital outlay purposes.

G.O. Bond proceeds should be recorded as receivables/revenues when qualifying statutory-basis expenditures are recorded. Amounts recorded may not, however, exceed the amount of bond proceeds (cash) on hand at GSFIC authorized for transportation capital outlay projects.

Based on our examination, we found the amount of receivables/revenues recorded on the general ledger by the Georgia Department of Transportation exceeded the amount of bond proceeds on hand at the GSFIC for transportation capital outlay projects by \$407,656,652.90. The overstated receivables/revenues represented bond issue proceeds both *authorized but not sold* and *unauthorized future G.O. Bond issue proceeds*.

### *FHWA Funds*

Each year, the Federal Highway Administration sets a Federal obligation limitation (ceiling) for each state. At June 30, 2008, the Georgia Department of Transportation recognized Federal accounts receivable/revenue on Federal advanced construction projects in excess of the ceiling by \$3,668,065,830.43.

### *Fast Forward Program*

In 2004, the Georgia Department of Transportation initiated a 6-year, \$15.5 billion statewide transportation program known as “Fast Forward.” Objectives and benefits of “Fast Forward” include:

- ❖ Acceleration of existing projects; to do in 6 years what would normally take 18 years.
- ❖ Relief of congestion and spur economic growth.
- ❖ Hedges against inflation and construction cost increases.

### *Advanced Construction Program*

In order to meet the objectives of “Fast Forward,” the Georgia Department of Transportation made use of a Federal program known as “Advanced Construction” that allows States to initiate projects, using non-Federal funding, while preserving eligibility for future Federal fund reimbursement.



# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### Advanced Construction Program

GDOT can authorize projects to begin – once FHWA authorizes project eligibility – using State Funds. When Federal funds or Bond proceeds become available, GDOT will “convert” these projects to the new funding, thereby freeing up State funding for other projects.

Source: *GDOT Financial Update for April 9, 2008*

#### *Advanced Construction Program and the Constitution of the State of Georgia*

The Advanced Construction Program is an excellent methodology for meeting the objectives of the “Fast Forward” program. It must, however, operate within the confines of the Constitution of the State of Georgia.

The Georgia Attorney General, in official opinion 74-115, offered the following commentary, regarding contracts with State agencies and private parties:

*“...No agency of the State may execute a contract with a private party for the purchase of goods or services which purports to obligate appropriations or state funds from any other source not on hand at the time of the contract...”*

Based on our review, after numerous testing procedures and corrections, we determined at a global level (not on a contract by contract basis) that the GDOT incurred expenditures above obligation authority available through FY 2008, not taking into account the ability to encumber FY 2009 appropriations for payments to be earned after FY 2008. Each contract authorized by the Georgia Department of Transportation appeared to have gone through the normal departmental procedures, including assurances from the GDOT Treasurer that sufficient funding was available to pay each contract.

In order for “Advanced Construction” projects to comply with the Constitution of the State of Georgia, sufficient “unobligated” State funding was required to be ‘on hand’ at the time the contracts were executed (signed contracts). As discussed above, improper revenue recognition criteria were utilized by the Georgia Department of Transportation. As recorded on the general ledger as of June 30, 2008 (prior to final audited amounts), the GDOT accrued receivables/revenues without recognizing the upper limitations imposed on grant awards or funding agreements when authorizing contractual obligations and recording associated receivables/revenues.

As a result, a GDOT post-closing journal entry was necessary to reduce GARVEE Bond, G.O., FHWA, and other Federal grant receivables/revenues by a combined amount of \$4,539,580,458.91.

### Recommendation:

The GDOT should strictly adhere to the revenue recognition criteria. The GDOT should be aware of their financial position at all times and only execute contracts when unobligated funds are available.

Finding Control Number: **FS-484-08-03**

#### GENERAL LEDGER

The GDOT general ledger was materially misstated and was not suitable for day-to-day management

The audit of the GDOT financial statements (statutory basis) was conducted for the year ended June 30, 2008, as part of our response to the request for a special examination of GDOT. Each year, the GDOT, as do all State agencies, goes through a year-end close-out process that includes correcting and adjusting entries when required. Our testing detected material weaknesses in the GDOT’s general ledger. The noted weaknesses in the PeopleSoft accounting system, as maintained by the GDOT, were to the extent that the general ledger was materially misstated and was not suitable for day-to-day management.

Based on our examination of the accounts and balances as of June 30, 2008, we noted the following:

1. The GDOT general ledger reflected a fund balance as of June 30, 2008 of \$4,256,703,191.09. Total assets were \$8,001,303,546.93, while liabilities totaled \$3,744,600,355.84. **See Exhibit 3, Column 1.**



# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

We found that the GDOT recorded their expenditures and liabilities during the year using the statutory basis of accounting; however, they recorded revenues and accounts receivables during the year using a different basis of accounting; the modified accrual basis of accounting (GAAP).

GDOT accounting personnel provided post-closing manual entries in an effort to “clean-up” the financial statements for the period ended June 30, 2008. These adjusting entries changed the fund balance of \$4,256,703,191.09 per the general ledger to a **deficit** fund balance of \$459,461,644.40. See Exhibit 3, Columns 2 and 3.

- Based on our review, we noted 15 misstatements in the GDOT financial statements presented to us. As a result, we proposed adjusting entries for each misstatement to the GDOT management in order for their financial statements, for the period ended June 30, 2008, to be in conformity with the State of Georgia statutory basis of accounting. GDOT management concurred with all proposed entries.

After adjusting entries were applied to the GDOT statutory financial statements, the GDOT June 30, 2008 fund balance for State Motor Fuel funds went from a **positive** \$4,256,703,191.09 to a **deficit** of \$456,219,590.73, prior to the recognition of FY 2009 State Motor Fuel funds. See Exhibit 3, Columns 4 and 5.

The PeopleSoft accounting records are maintained to record the financial transactions and to document the financial position of the GDOT. When maintained properly, the accounting records can provide GDOT management an accurate view of the financial position of GDOT on a daily basis. Maintaining complete and accurate financial records is vital to enable management to make informed decisions, not only for the benefit of the GDOT, but for the State of Georgia as well.

### EXHIBIT 3 GEORGIA DEPARTMENT OF TRANSPORTATION Preliminary Analysis of Financial Position (Statutory Basis)

June 30, 2008

	Column 1	Column 2	Column 3	Column 4	Column 5
	GDOT Accounting Records	GDOT Adjustments	GDOT Final Balances before Audit Adjustments	Audit Adjustments & Reclass	Final Balances After Audit Adjustments
<b>Assets</b>					
Cash and Cash Equivalents	\$ 76,577,343.43	\$ (24,060.00)	\$ 76,553,283.43	\$ 213,469,953.46	\$ 290,023,236.89
Accounts Receivable					
State Appropriation	186,914,480.88	(1,000,000.00)	185,914,480.88	0.02	185,914,480.90
Federal Financial Assistance	5,324,484,351.70	(3,584,419,803.65)	1,740,064,548.05	(100,730,715.43)	1,639,333,832.60
Other	2,400,903,531.80	(813,021,603.90)	1,587,881,927.90	(122,780,477.71)	1,465,101,450.19
Prepaid Exp	13,905.40	0.00	13,905.40	0.00	13,905.40
Inventories	12,408,867.72	0.00	12,408,867.72	0.00	12,408,867.72
Other Assets	1,066.00	0.00	1,066.00	0.00	1,066.00
<b>Total Assets</b>	<b>\$ 8,001,303,546.93</b>	<b>\$ (4,400,465,467.55)</b>	<b>\$ 3,600,838,079.38</b>	<b>\$ (10,041,239.68)</b>	<b>\$ 3,590,796,839.70</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 3,733,073,099.00	\$ 32,453,631.25	\$ 3,765,526,730.25	\$ (3,706,015,400.60)	\$ 59,511,329.65
Encumbrances Payable		283,243,736.69	283,243,736.69	3,672,352,571.99	3,955,596,308.68
Payroll Withholdings	7,367,720.81	0.00	7,367,720.81	(10.66)	7,367,710.15
Payroll Clearing	(13,035.49)	0.00	(13,035.49)	7,287.92	(5,747.57)
Other Liabilities	4,172,568.70	0.00	4,172,568.70	(837,818.18)	3,334,750.52
Other Adjustments (Rounding)	2.82	0.00	2.82	(2.80)	0.02
<b>Total Liabilities</b>	<b>\$ 3,744,600,355.84</b>	<b>\$ 315,699,367.94</b>	<b>\$ 4,060,299,723.78</b>	<b>\$ (34,493,372.33)</b>	<b>\$ 4,025,806,351.45</b>
<b>Fund Balances:</b>					
Reserved					
Inventories	\$ 0.00	\$ 0.00	\$ 0.00	\$ 12,408,867.72	\$ 12,408,867.72
Other Reserves	0.00	5,237,433.61	5,237,433.61	0.00	5,237,433.61
Unreserved, Undesignated					
State Motor Fuel	4,256,703,191.09	(4,725,408,175.33)	(468,704,984.24)	10,505,303.51	(456,219,590.73)
State General Surplus	0.00	2,065,906.23	2,065,906.23	1,477,871.42	3,543,777.65
<b>Total Fund Balances</b>	<b>\$ 4,256,703,191.09</b>	<b>\$ (4,716,164,835.48)</b>	<b>\$ (459,461,644.40)</b>	<b>\$ 24,452,132.65</b>	<b>\$ (435,009,511.75)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,001,303,546.93</b>	<b>\$ (4,400,465,467.55)</b>	<b>\$ 3,600,838,079.38</b>	<b>\$ (10,041,239.68)</b>	<b>\$ 3,590,796,839.70</b>
<b>Diff Assets vs Liab FB</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>



# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### Recommendation:

We recommend the following changes to the GDOT general ledger in order that it can be useful for day-to-day management of the Department:

### Record revenues in PeopleSoft on a statutory basis rather than on a GAAP basis:

The GDOT should ensure all revenues recorded in their accounting system, PeopleSoft, are done so using the statutory (budgetary) basis of accounting. Budgetary authority and practices are established by the Constitution of the State of Georgia and various statutes which differ from Generally Accepted Accounting Principles (GAAP).

In relation to expenditure-driven or reimbursable grants, revenues should be recorded when qualifying expenditures have been incurred and any additional requirements such as grant agreements, matching and maintenance of effort have been met. For the statutory basis of accounting, expenditure driven grant revenue should be recorded based on encumbrances.

### Ensure that recorded revenues do not exceed fund availability & Record grant awards in memo accounts:

The GDOT should ensure that revenues recorded for a particular funding source (e.g., G.O. Bond proceeds) do not exceed the total funds available for that project. To ensure revenues do not exceed fund availability, the GDOT should utilize the **control accounts**, and related **contra-accounts**, available in PeopleSoft to account for funds which are available but unearned and undrawn. These are the 190000, 191000, 192000, 193000 and 290000, 291000, 292000, 293000 series of accounts.

The following excerpt from the State of Georgia Accounting Procedures Manual provides guidance on the utilization of these accounts. The GDOT should consider setting up these control accounts for all of their major sources of revenues. This includes State appropriations, Federal grants, G.O. and Revenue Bonds, etc.

### **EXCERPT FROM THE STATE OF GEORGIA POLICY AND PROCEDURES MANUAL**

#### ***UNALLOTTED STATE APPROPRIATIONS APPROVED (190000 and 290000 Series of Accounts)***

These accounts can be utilized to record total State funds appropriated as disclosed in the annual operating budget. After the Appropriations Act is approved and prior to the commencement of the new fiscal year, an annual operating budget (AOB) must be prepared in conformity with the provisions of the Appropriations Act. When the AOB is approved by the Office of Planning and Budget (OPB) the total approved appropriation has traditionally been recorded in accounts comparable to the 190000 and 290000 series of accounts.

Periodic work programs must be filed with OPB. These work programs once approved by OPB provide the basis for appropriation allotments. When a work program has been approved entries should be made to record the amount of receivable from the Office of Treasury and Fiscal Services, the budget basis revenue, and a reduction in unallotted appropriation of State funds (190000 and 290000 series).

#### ***FEDERAL GRANTS AND CONTRACTS APPROVED (191000 and 291000 Series of Accounts)***

This series of accounts can be utilized to record unearned Federal contracts and grant awards as supported by executed contracts and other documentary evidence. Each Federal grant or contract should be recorded in separate account or if this is not feasible then an off-line system should be maintained to track the unearned balance.

#### ***LOCAL GOVERNMENT AND OTHER GRANTS AND CONTRACT APPROVED (192000, 193000 and 292000, 293000 Series of Accounts)***



# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

We recommend that **control accounts** and **contra-accounts** be utilized for the following:

1. State General Funds
2. G.O. Bond Proceeds
3. GARVEE Bond Proceeds
4. Federal Grant Awards

(It is not necessary to utilize these accounts for State Motor Fuel Funds as they can be recorded as a receivable/revenue on July 1 of each year.)

If properly maintained, these accounts can provide GDOT management with the balance of unobligated funds available at any point in time.

### Utilize internal audit staff to test accuracy of GDOT general ledger on a regular basis:

The GDOT should utilize its internal audit staff to test the accuracy of their general ledger on a regular basis. Their duties should include, but not limited to, the following:

- Testing the accuracy of **control accounts** and **contra accounts**.
- Testing the accuracy of bank reconciliations
- Ensure that posting errors, post-closing adjustments and audit adjustments are properly recorded
- Ensure that Federal accounts receivable do not exceed Federal liabilities (obligations)
- Reconcile bond proceeds activity between:
  - GDOT and SRTA
  - GDOT and GSFIC
- Ensure that obligated funds remaining on completed projects are cancelled in a timely manner.

If structured appropriately, an internal audit staff can be a valuable tool to provide assurances to an organization that its accounting practices, internal controls, policies and procedures are being followed as designed and required by standards. Internal auditors can note shortcomings and report them to those who can then direct corrective actions be taken.

It is preferred that the internal audit staff report directly to the Board or organization head. This gives the internal audit staff the independence needed to better carry out their function.

### Record post-closing adjustments and audit adjustments upon receipt:

The GDOT should ensure that all post-closing entries and audit adjustments are recorded to their accounting records during the month made or received. Timely posting is critical to maintaining an accurate general ledger and allowing for a precise view of the Department's financial position at any given point in time.

Finding Control Number: **FS-484-08-04**

#### GENERAL LEDGER

The GDOT sub-ledgers at the "fund source" level were not properly maintained

Based on our examination, we found the GDOT did not maintain adequate sub-ledgers at the "fund source" level (i.e., State General Funds, State Motor Fuel Funds, Federal Awards, etc.). Our analysis indicated there was not a system in place to maintain correct revenues, accounts receivable or fund balances at the "fund source" level nor at the fund source roll-up level. We noted negative accounts receivable in many fund sources and negative and positive clearing account balances at both the program and fund source level. There was apparently no effort to correctly maintain clearing account balances at any level other than at the agency level.

These deficiencies are the result of GDOT's failure to properly monitor the "fund source" ledgers. For instance, GDOT has procedures to convert advanced construction (AC) funds to Federal funding; however, there were no controls in place to confirm the funding was correctly converted. Recognizing the risk of material misstatement, we requested GDOT to confirm that all of the open purchase orders (contracts) coded as AC were correctly coded. Based on our request, GDOT staff found

# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

over \$138 million in purchase orders (contracts) that were incorrectly coded as AC that should have been coded to Federal fund sources.

The failure to monitor the “fund source” ledgers in a timely manner could affect the proper recording of revenues and expenditures which could result in material misstatements in the financial statements.

### Recommendation:

The GDOT should ensure that all fund source ledgers are adequately maintained within the accounting system. This includes correctly maintaining receivable, payable and clearing account balances within the fund source trial balances in accordance with the State of Georgia Accounting Procedures Manual.

A fund source identifier should be used to designate revenue sources and track expenditures made against those revenues. Since a full set of balanced financial statements should be available by fund source, fund source identifiers should also be used to account for assets, liabilities and fund balances for all specific funding sources.

In addition, State organizations that administer Federal programs must maintain sufficient accounting records to allow for the recording of Federal funds at an expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. Such records must provide for the identification of individual grants, revenues and expenditures from those grants, unobligated grant balances and grant assets and liabilities. Therefore, for Federal programs, a separate fund source must be established for each grant received.

### Additional detailed guidance

GDOT should also better utilize the PeopleSoft accounting system to ensure they do not expend or obligate more than they have in available funding. In order to maintain “funds available” accurately on the statutory basis, it is imperative that the budget (BudgetNet amounts in PeopleSoft) reflect only **valid** “funds available.” On a daily basis, GDOT must determine any changes in “available funds” due to deobligation of prior year Federal purchase orders (contracts), deobligations of Federal funds shown as obligated by FHWA (although no contracts may have been issued) or other deobligations not required to be surplused, such as State Motor Fuel.

Project allotments [See (a) on **Exhibit 4**] in PeopleSoft (Projects Module) should be maintained/adjusted on a **daily basis**. When purchase orders are deobligated in PeopleSoft, the allotment balances [See (d) on **Exhibit 4**] (allotment less unearned and earned) will increase automatically because of the reduction of the unearned portion [See (b) on **Exhibit 4**] of the funding source [See (e) on **Exhibit 4**]. Total allotments by project, for Federal fund sources, should represent the total funds obligated in the Federal FMIS system by GDOT for the current and prior budget years plus the “Unobligated Balance.” GDOT should be able to query these changes in allotments by budget year and segregate the current budget year activity in order to tie the changes in allotments [See (a) on **Exhibit 4**] to the changes in the FMIS obligations to date.

A separate project, “Non-Allotted Funds,” should be set up in PeopleSoft to record Federal (and non-Federal) “funds available” but not yet allotted to specific projects. As funds are allotted, the allotment balance in this project “Non-Allotted Funds” is reduced and the allotment balance in the receiving project(s) is increased. Monthly, a budget amendment would be submitted to OPB to recognize any new revenue sources (new funds available to be obligated) and to adjust for any funds made available by the deobligations mentioned above. *Note: Even projects funded 100% by non-Federal funds should be set up in PeopleSoft with allotment balances as funds are allocated to those projects. All GDOT projects should go through this process in order that the actual funds available to be obligated may be determined by project on a daily basis.*

Monthly, GDOT should utilize the **control accounts** 191xxx and 291xxx to recognize Federal funds available but not yet obligated (PeopleSoft encumbrance). The sum of all allotment balances (allotment less unearned and earned) in the **Projects Module** for Federal funds should agree with the balance in the 191xxx and 291xxx accounts on the **General Ledger**.

GDOT accounting staff should record monthly the Federal budgetary revenue based on the expenditures of the appropriate budget year (currently 2009) using Federal fund source codes beginning with 10 through 39 along with the corresponding Federal accounts receivable. Expenditures for fund sources for **advanced construction** should be deducted from this amount. *GDOT should consider using a legitimate funding source, i.e. 60xxx or 70xxx for these advanced construction projects rather than a Federal range funding source since Federal funds are not available until the project is converted. Regardless of the method, these advanced construction projects must have current funding sources identified.* The journal



# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

entry to record the earned accounts receivable and corresponding revenue should also reduce the unearned portion (191xxx – 291xxx).

Similar entries utilizing control accounts 190xxx and 290xxx would be made for the non-Federal funds. If 19xxxx control accounts are used correctly, they represent the 'actual' funds available to be obligated and should never be less than zero. The total of the balances in these 19xxxx accounts should equal the balance remaining (not yet obligated) of the AOB on the budget comparison reports. Monthly when the budget amendment is submitted the balances should be verified.

### Note:

*These procedures may require changes to the PeopleSoft system to allow the budget year to be identified in the project costing module and the flagging of non-Federal projects so they are not captured in the Federal billing process.*

### EXHIBIT 4 Excerpt From Projects Module

(a) Allotment – Should represent the amount allocated to this project.

(b) Unearned – Balance outstanding of purchase orders.

(c) Earned – Direct expenditures or payments against purchase orders.

(d) Allotment Balance – Allotment less the unearned and earned amounts. Total of all allotment balances should tie to the 19xxxx and 29xxxx balances.

(e) Funding Source – source of funding

Funding Source	Allotment	Unearned	Earned	Balance
44008	0.00	0.00	0.00	0.00
60310	482,160.74	13.21	482,147.53	0.00
60330	0.00	0.00	0.00	0.00
<b>Total</b>	<b>482,160.74</b>	<b>13.21</b>	<b>482,147.53</b>	<b>0.00</b>
<b>Project Total</b>	<b>482,160.74</b>	<b>13.21</b>	<b>482,147.53</b>	<b>0.00</b>

# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-484-08-05**

### GENERAL LEDGER

GDOT's general ledger did not contain a "contingency reserve account" that would measure and report the estimated future costs associated with on-going projects

It appears that significant costs will be incurred by the GDOT in subsequent fiscal periods to complete certain on-going projects. These costs are not reflected as expenditures in GDOT's financial statements because legal obligations for these costs did not exist as of June 30, 2008. These costs include, but are not limited to the following:

- Relocation of utilities
- Legal costs
- Supplemental agreements/change orders
- Construction engineering and inspection costs

To the extent that unobligated funds are available, the GDOT balance sheet should designate the amount of "contingency" money needed to complete current (on-going) projects. Funds available in excess of the "contingency reserve," if any, could be designated as available for future projects. Without these designations, future GDOT financial statements could be misleading.

### Recommendation:

GDOT management should evaluate and implement an estimation process to properly designate unobligated funds available. An example of this presentation of the "fund balance" section of the GDOT balance sheet is shown as follows:

### EXHIBIT 5 Georgia Department of Transportation

#### Budget Fund Balance Sheet (Example) xx/xx/xxxx

	Final
<b>Assets</b>	
Cash and Cash Equivalents	\$ 600,000,000.00
Accounts Receivable	
State Appropriation	1,500,000,000.00
Federal Financial Assistance	900,000,000.00
<b>Total Assets</b>	<b>\$ 3,000,000,000.00</b>
<b>Liabilities and Fund Equity</b>	
Liabilities:	
Accounts Payable	60,000,000.00
Encumbrances	2,200,000,000.00
<b>Total Liabilities</b>	<b>\$ 2,260,000,000.00</b>
Fund Equity:	
Fund Balances:	
Motor Fuel Tax Funds	
Designated to complete on-going Projects	\$ 221,000,000.00
Designated for future Projects	516,000,000.00
Other Reserves	3,000,000.00
<b>Total Fund Equity</b>	<b>740,000,000.00</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 3,000,000,000.00</b>



# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-484-08-06**

EXPENSES/EXPENDITURES AND LIABILITIES

GENERAL LEDGER

GDOT did not properly monitor the status of outstanding contractual obligations

GDOT policies and procedures state:

*"If there has been no payment activity on a project within a certain time frame, a letter is sent to the Project Manager to initiate the project closeout if applicable. PeopleSoft is queried monthly for PO activity. GDOT is placing a strong emphasis on researching projects that are inactive and taking appropriate action to either close the project out or get the project moving again."*

We sampled encumbrance balances at June 30, 2008 to determine if the above control was operative and effective. Our sample was based on outstanding encumbrance balances for which no activity was reported in more than one year. We found the following:

- The GDOT's Financial Integrity Review and Evaluation (FIRE) section queries PeopleSoft purchase order activity on a monthly basis. GDOT's queries extracted purchase orders greater than one year regardless of payment activity as opposed to only those with "no payment activity greater than one year."
- The FIRE section sends letters of inquiry to Project Managers regarding the status of contracts. Follow-up letters to Project Managers, however, were not sent on a timely basis. Second request letters to Project Managers were sent approximately six months to one year after the initial request.
- Contracts cannot be closed without a Project Manager certifying the project was complete. FIRE personnel indicated that Project Managers were historically slow to respond to their requests.

Completed contracts not closed out in a timely manner prevent unspent funds, if any, from being reallocated to other projects.

### Recommendation:

Based on our evaluation of the contract monitoring function, improvements are needed to ensure that balances do not remain on completed contracts. We recommend that the FIRE unit revise its PeopleSoft queries to extract only those contracts with "no payment activity" in excess of one year. A query of this nature would produce a smaller population of contracts to focus on. Additionally, this population would most likely identify unspent funds available for other projects.

Finding Control Number: **FS-484-08-07**

EXPENSES/EXPENDITURES AND LIABILITIES

GENERAL LEDGER

GDOT's contractual liabilities (encumbrances) were understated due to two pricing indices included in construction contracts.

Based on our analysis, we determined that the Georgia Department of Transportation entered into certain contractual arrangements with private parties that included an *Asphalt Cement Price Index* and a *Fuel Adjustment Price Index* which permitted price adjustments (increases and decreases) to the base contractual obligation.

The liabilities associated with the contractual arrangements containing the *Asphalt Cement Price Index* were not correctly recorded by the GDOT. Under the Statutory basis of accounting, the liabilities of these contracts (encumbrances) should have been recorded at the maximum amount possible based on the 'cap' amount as provided in the contract. The maximum amount should be recorded because GDOT has promised to pay the contractor the maximum amount in the event of increasing asphalt cement costs. Our audit determined that the GDOT recorded the liabilities for each of these contracts at the base amount only. GDOT post-closing adjustments and audit adjustments, in the combined amount of \$125,773,952.85 increased the statutory liabilities associated with the *Asphalt Cement Price Index*.

# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Our analysis of the *Fuel Adjustment Price Index* provisions contained in certain contracts indicated they were ‘uncapped’, thereby creating open-ended obligations of the Georgia Department of Transportation in the event of increasing fuel costs. As a result, the amount required to fulfill each of these contracts could not be defined from the terms of the contracts.

### Recommendation:

All new contracts containing an *Asphalt Cement Adjustment Price Index* should state the maximum amount that could be paid to the contractor. Likewise, the liabilities for each new contractual arrangement should be recorded at the maximum amount. For contracts previously executed, GDOT should continue to estimate and record the maximum liability on its financial statements until all such contracts have been completed.

The Georgia Department of Transportation should ensure that the *Fuel Adjustment Price Index* includes a cap for all new contracts. The Georgia Department of Transportation should consult the Attorney General of Georgia regarding this matter.

Finding Control Number: **FS-484-08-08**

### BUDGET

Budget amendments were submitted and approved that erroneously increased GDOT’s annual operating budget

During fiscal year 2008, the Georgia Department of Transportation increased its Annual Operating Budget by \$1,752,995,283.00 above the amounts authorized by the appropriation acts. While an agency cannot increase the amount of State funds it can receive apart from an appropriation, it may administratively increase/amend, with the approval of the Office of Planning and Budget (OPB), its Annual Operating Budget upon receipt of additional Federal grant awards and/or Other funds not anticipated during the appropriations process.

Our audit revealed that the following budget amendment submitted to OPB during fiscal year 2008 was not supported by actual revenues and/or grant awards:

#### Amendment 4

State Highway System Construction and Improvement Program  
Other Funds

\$1,100,403,000.00

The Georgia Department of Transportation’s Annual Operating Budget should function as an “internal control” to ensure that its expenditures/obligations are limited to authorized amounts and areas. When invalid budget amendments are submitted and approved, the Georgia Department of Transportation inappropriately increases its obligation authority and negates system edits in the PeopleSoft accounting system that prevent over-expenditure of funds.

The budget amendment indicated above was submitted by the Georgia Department of Transportation on April 1, 2008 because its expenditures (at the time) exceeded its approved budget. Subsequent to the approval of this amendment, it was determined that GDOT had erroneously overstated its current budget year expenditures (the errors were later corrected in June 2008 thereby significantly reducing its expenditures). As a result of this temporary overstatement of its expenditures, the Georgia Department of Transportation submitted the budget amendment cited above to avoid the appearance of budget over-expenditure.

### Fiscal Year 2007 testing

Based on additional testing conducted for fiscal year 2007, we determined that GDOT’s Annual Operating Budget was also erroneously increased to cover its expenditures of approximately \$5.1 billion. Fiscal year 2007 budget amendment No.’s 5 and 6 increased GDOT’s obligation authority by \$3,484,830,360.00. These amendments exceeded actual funds available that GDOT could obligate by \$2,388,738,059.41. See Finding No. FS-484-08-01 for additional information.

### Recommendation:

The Georgia Department of Transportation should not submit budget amendments to increase its obligation authority unless supported by actual revenues and/or currently available grant awards.



# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-484-08-09**

### ACCOUNTING CONTROLS (OVERALL)

Material weaknesses in internal control were noted regarding the GDOT's ability to record, process, and report contractual obligations and supplemental agreements

Our examination of GDOT's internal controls and business processes over recording, processing, and reporting of contractual obligations and supplemental agreements were found to be seriously flawed. Subsequent to June 30, 2008, a significant number of executed contracts and supplemental agreements were discovered that had never been recorded into the PeopleSoft accounting system.

Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Based on our understanding, the GDOT's Contracts Payables section did not consistently record contractual obligations and supplemental agreements upon execution. GDOT indicated to us that they deferred recording some obligations until a contractor's first reimbursement request was submitted.

This practice dramatically increases the GDOT's risk of material misstatements in its financial position. A recap of the unrecorded contractual obligations and supplemental agreements are as follows:

### EXHIBIT 6

Unrecorded Contracts and Supplemental Agreements			
Contracts		Supplemental Agreements and Modifications	
Quantity	Amount	Quantity	Amount
341	\$262,684,081.93	1041	\$59,226,234.08
FY 2008 Transactions	\$102,828,161.29	FY 2008 Transactions	\$50,573,974.51
FY 2009 Transactions	\$159,855,920.64	FY 2009 Transactions	\$8,652,259.57

Based on the above analysis, \$153,402,135.80 was recorded as FY 2008 expenditures via GDOT post-closing adjustments and audit adjustments. In addition, for some of these liabilities/expenditures, corresponding Federal accounts receivable/Federal revenue, totaling \$109,136,984.93, was recognized. By recording the FY 2008 transactions, the State Motor Fuel fund balance at June 30, 2008 was decreased by \$44,265,150.87.

### Recommendation:

All contractual obligations and supplemental agreements should be recorded into the PeopleSoft accounting system upon execution.

Finding Control Number: **FS-484-08-10**

### BUDGET

GDOT did not maintain adequate accounting records at the *legal level of budgetary control* as prescribed by the Appropriations Act

In June 2003, the Governor's Office of Planning and Budget (OPB) announced it would shift from Results-Based Budgeting (RBB) to a Prioritized Program Based Budget (PPBB), moving away from a budget methodology that focused on object class (line item) structure.

# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

PPBB is an annual budget that defines the relationship between program funding and expected results. More simply, it is a budget for a specific program with a set of purposes or goals to be achieved. This allows a comparison of the funds required to operate a program against the results achieved by the program in order to determine which programs are most (and least) effective.

Focusing on how the agencies are organized, or what funding will be needed to maintain their budgets, PPBB allows agencies to identify and analyze the programs that support their business plans.

Our testing of the *Statement of Program Revenues and Expenditures by Funding Source Compared to Budget – Budget Fund* identified significant deficiencies in the

manner in which GDOT accounted for and reported on budgetary compliance at the *legal level of budgetary control*. As a result of the inaccurate and unreliable data provided in the budgetary comparison schedule, programmatic deficiencies, if any, could not be distinguished from accounting deficiencies.

### Revenues

GDOT did not consistently and/or correctly record revenues by *fund source within program level*, as required by the 2008 Appropriation Acts, resulting in unreliable budget comparison data. Revenues were grossly over-stated in the “Administrative” program and were under-stated in a majority of the other programs. A program (*Highway Construction and Improvement*) whose revenues appear to be significantly understated is illustrated below in an excerpt of the *Statement of Program Revenues and Expenditures by Funding Source Compared to Budget – Budget Fund*.

#### EXHIBIT 7

	Original Appropriation	Final Budget	Funds Available Compared to Budget			
			Current Year Revenues	Prior Year Carry-Over	Total Funds Available	Variance Positive(Negative)
State Highway System Construction and Improvement						
State Appropriation						
State Motor Fuel Funds	\$ 284,967,946.00	\$ 292,625,326.00	\$ 292,625,326.00	\$ 0.00	\$ 292,625,326.00	\$ 0.00
Federal Funds						
Federal Highway Administration Highway Planning and Construction	1,032,888,665.00	1,019,280,657.00	1 441,363,551.83	0.00	441,363,551.83	2 (577,917,105.17)
Other Funds	165,000.00	1,677,425,120.00	1 466,944,028.61	0.00	466,944,028.61	2 (1,210,481,091.39)
Total State Highway System Construction and Improvement	\$ 1,318,021,611.00	\$ 2,989,331,103.00	\$ 1,200,932,906.44	\$ 0.00	\$ 1,200,932,906.44	\$ (1,788,398,196.56)

- 1 Under-stated revenues by funding source
- 2 Variance amounts not reliable

### Expenditures

Expenditures were frequently not recorded against the appropriate *fund source within program level* as well. For example, in cases where a program was funded by a combination of funding sources (Federal, State, and Other), GDOT frequently charged the expenditures to the incorrect fund source as well as to incorrect programs. Expenditures for the *Highway Construction and Improvement* program appear to be significantly misstated as illustrated below in the excerpt of the *Statement of Program Revenues and Expenditures by Funding Source Compared to Budget – Budget Fund*.

#### EXHIBIT 8

	Original Appropriation	Final Budget	Expenditures Compared to Budget		Actual
			Actual	Variance Positive (Negative)	Funds Available Over/(Under) Expenditures
State Highway System Construction and Improvement					
State Appropriation					
State Motor Fuel Funds	\$ 284,967,946.00	\$ 292,625,326.00	1 (208,926,405.68)	\$ 501,551,731.68	\$ 501,551,731.68
Federal Funds					
Federal Highway Administration Highway Planning and Construction	1,032,888,665.00	1,019,280,657.00	720,927,558.35	298,353,098.65	2 (279,564,006.52)
Other Funds	165,000.00	1,677,425,120.00	547,574,139.33	1,129,850,980.67	(80,630,110.72)
Total State Highway System Construction and Improvement	\$ 1,318,021,611.00	\$ 2,989,331,103.00	\$ 1,059,575,292.00	\$ 1,929,755,811.00	\$ 141,357,614.44

- 1 Negative expenditures incorrectly reported
- 2 Variance should be zero; revenues and expenditures for the funding source should equal



# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### Overall

Exhibit's 7 and 8 provide examples of the mix of significant unexplained positive and negative variances we found throughout the *Statement of Program Revenues and Expenditures by Funding Source Compared to Budget – Budget Fund* as a result of the improper recording of revenues and expenditures by *fund source within program level*.

### Recommendation:

GDOT should obtain additional guidance and training, as needed, to ensure they are recording revenues and expenditures at the *legal level of budgetary control* as prescribed in the Appropriations Act. PeopleSoft budget comparison reports should be monitored on a regular basis to ensure that activity at the *funding source within program level* is accurate.

## DEPARTMENT OF VETERANS SERVICE

Finding Control Number: **FS-488-08-01**

ACCOUNTING CONTROLS (OVERALL)

Deficit Fund Balance

- Condition: The fund balance reported on the general ledger by the Department of Veterans Service (Department) was \$(558,718.60). Adjusting journal entries totaling \$558,718.60 were made, resulting in an ending fund balance of \$0.00.
- Criteria: The Constitution of the State of Georgia (Article VII, Section IV, Paragraph 8) does not authorize a state agency to obligate availability of appropriations or other source of state funds beyond the authorization contained in a presently effective General Appropriations Act.
- Cause: The Department did not properly maintain and monitor its accounting records. Encumbrances were recorded at year end for which funds were not available.
- Effect: Failure to properly maintain and monitor accounting records increases the risk of material misstatement in the financial statements including misstatement due to fraud.
- Recommendation: The Department of Veterans Service should implement policies and procedures to ensure that the accounting records are properly maintained and monitored throughout the year. Encumbrances should only be recorded when sufficient funds are available.

Finding Control Number: **FS-488-08-02**

ACCOUNTING CONTROLS (OVERALL)

Federal Fund Ledger Deficiencies

- Condition: The accounting records at the Department of Veterans Service (Department) contain old Federal fund source balances, some of which are negative.
- Criteria: The *Accounting Procedures Manual* for the State of Georgia, Section One, page 1-6-1, states in part: "State organizations that administer Federal programs must maintain sufficient accounting records to allow for the recording of Federal funds at an expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. These records must provide for the identification of individual grant balances and grant assets and liabilities."
- Cause: The deficiency noted above was the result of the Department's failure to monitor Federal fund ledgers within the general ledger in a timely manner.
- Effect: Failure to monitor Federal fund ledgers within the general ledger in a timely manner could affect the proper recording of Federal program revenues and expenses, which could result in material misstatements in the financial statements.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Recommendation: The Department of Veterans Service should develop and implement policies and procedures to ensure the accounting records are properly maintained and monitored at the fund source level

### GEORGIA PUBLIC DEFENDER STANDARDS COUNCIL

Finding Control Number: **FS-492-08-1**

ACCOUNTING CONTROLS (OVERALL)

EXPENSES/EXPENDITURES AND LIABILITIES

Billing practices related to legal defense services provided by private attorneys and other consultants

Our examination of the billing practices related to legal defense services provided by private attorneys and other consultants revealed serious deficiencies with the manner in which bills are submitted through the circuit offices until payment is made by the Georgia Public Defenders Standards Council (GPDSC). A summary of these deficiencies are as follows:

*Terms of contracts entered into by circuit offices for private attorneys and for other defense-related services are not communicated to the GPDSC at the time of contracting. Currently, information regarding the services under contract at the circuit offices is not readily available.*

The services of private attorneys are retained when conflicts of interest exists preventing legal staff of the judicial circuits from defending an indigent person. Other services retained by the circuit offices include, but are not limited to, expert witnesses, investigators, interpreters and psychologists.

Our examination found that circuit offices do not communicate their contractual obligations to the GPDSC in order that they can be recorded in a timely manner. The GPDSC's Annual Operating Budget should serve as an "internal control" to ensure that its expenditures/obligations are limited to authorized amounts and areas. When contractual obligations are incurred but not reported, system edits in the PeopleSoft accounting system that prevent over-expenditure of funds are negated.

*The GPDSC does not encumber sufficient funds at the time of contracting to cover estimated costs of services of private attorneys and other consultants.*

Our examination revealed that the GPDSC is not currently encumbering sufficient funds when contracts are entered into for the services of private attorneys and other consultants due to a lack of timely information from the circuit offices. To be in compliance with the Georgia Constitution, the GPDSC should encumber sufficient funds at the time of contracting (by the circuit offices) to pay the entire fees to be incurred under the contract without regard to when the services will be provided. Based on our understanding of the GPDSC's current financial position, the proper recording of contracts with private attorneys, etc., is likely to cause the GPDSC to end the fiscal year 2009 in a deficit (debt) unless additional funding is obtained.

Obligations of a State agency in excess of current available funds in an amount to satisfy the entirety of the obligations are considered to be debt. The Constitution, however, does not permit debt based on the independent actions of a State agency. This prohibition regarding debt is established in Article VII, Section III, Paragraph IV of the Constitution which provides that "... the credit of the state shall not be pledged or loaned to any individual, company, corporation or association..."

With regard to the execution of contracts requiring future appropriations, the Georgia Constitution prohibits pledges of the State's credit (Ga. Constitution - Article VII, Section IV, Paragraph VIII).

The Georgia Attorney General, in official opinion 74-115, offered the following commentary regarding contracts with State agencies and private parties, which appear to be applicable in the discussion of the private attorney and other consultant contracts:

*"...No agency of the State may execute a contract with a private party for the purchase of goods or services which purports to obligate appropriations or state funds from any other source not on hand at the time of the contract or where the fiscal obligation of the state agency depends for its full performance upon such future appropriations or the continued existence of any other source of state funds."*

*Bills from private attorneys and other consultants are submitted only at the conclusion of each case. A majority of these bills appear to involve services rendered in previous fiscal years.*



# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Our examination revealed that it is the current practice that invoices from private attorneys and other consultants are submitted only at the conclusion of a case. This practice often does not allow the GPDSC to record its contractual commitments against the correct appropriation year. Because conflict cases often extend beyond a year, the GPDSC generally is using current year funds to pay for legal services rendered in previous fiscal years.

For example, a private attorney was contracted with during fiscal year 2006 for services on a particular conflict case. The private attorney rendered services in fiscal years 2006, 2007 and 2008 but did not submit an invoice to the GPDSC until fiscal year 2008. As stated previously, to be in compliance with the Georgia Constitution, the GPDSC should encumber sufficient funds at the time of contracting (FY 2006) to pay the entire fees to be incurred under the contract without regard to when the services will be provided. Under the current practice, the GPDSC charges the entire amount submitted against its 2008 appropriation. If accounted for as prescribed by the Georgia Constitution, the GPDSC should have recorded a contract payable for the estimated amount of the costs of services to be rendered against its fiscal year 2006 appropriation rather than recording the expenditure at the time of payment in fiscal year 2008.

### Recommendations:

The GPDSC should obtain information regarding the terms of all contracts with private attorneys, etc., and record the amount of contractual obligations on its accounting records prior to the close of fiscal year 2009.

The GPDSC should also obtain the amount of services earned against the contracts as of June 30, 2009. Interim billings should be submitted from private attorneys and other consultants, at a minimum, at June 30 each year.

Henceforth, the GPDSC should encumber sufficient funds at the time of contracting to pay the entire fees to be incurred under the contracts entered into by the judicial circuits, or directly, without regard to when the services will be provided. In situations where the services are not being performed for a flat fee, the GPDSC should ensure that a cap is in place to define its obligation and limit the obligation to funds then available for payment of services.

## GEORGIA INSTITUTE OF TECHNOLOGY

Finding Control Number: **FS-503-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
Inadequate General Controls

Condition:	The Georgia Institute of Technology (GIT) does not have formal policies and procedures related to the management of changes to customizable tables and configuration settings. Also, an inventory of customizable tables and configuration settings is not maintained.
Criteria:	Changes to customizable tables and settings should be documented, reviewed, tested and approved by appropriate management before the changes are implemented.
Effect:	The condition could result in unauthorized changes to critical tables and settings that could have a direct impact on financial reporting. Examples of configuration tables include, but are not limited to, the following: financial calendars, bank codes, accounting templates, payment terms, rules for "three-way matching," asset templates and depreciation methods.
Recommendation:	<p>Management should consider defining the procedures and requirements for implementing changes to customizable tables and settings. Execution of the change management procedures should be documented. Components of the procedures should include:</p> <ul style="list-style-type: none"><li>• Documented evidence of authorization changes</li><li>• Documented test plans and expected results</li><li>• Documented evidence of testing, test results and resolution of test-related issues</li><li>• Documented approval for implementation in the production environment</li></ul>

Additionally, management should implement a process to monitor changes to the configuration tables to detect any unauthorized changes.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-503-08-02**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Improper Use of Purchasing Cards

- Condition:** In the prior year, we noted an internal control deficiency pertaining to the operating effectiveness of certain purchasing card policies and procedures. In the current year, GIT implemented new processes or modified existing processes to address the deficiency. While notable improvements have been made to improve the controls around purchasing card transactions, results of current year testing performed by GIT Internal Audits do not support a conclusion that operating effectiveness has been achieved for the year ended June 30, 2008.
- Criteria:** All purchasing card policies and procedures should be adhered to without exception to ensure operating effectiveness.
- Cause:** Cardholders and designated approval officials are not adhering to policies and procedures in every instance.
- Effect:** The condition could result in unidentified fraudulent activity, unallowable charges to federal programs and misstatements in the financial statements.
- Recommendation:** We recommend that the Organization continue to reemphasize the importance of strict adherence to its policies in this area. In addition, we recommend that the Organization continue to conduct mandatory training on awareness of fraud and financial accountability for all employees involved in the purchasing card program to ensure adequate understanding.

## GEORGIA STATE UNIVERSITY

Finding Control Number: **FS-509-08-01**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

CAPITAL ASSETS

Inadequate Internal Controls over the Reporting of Leases

- Condition:** During our examination of Capital and Operating Leases, we noted weaknesses in internal controls which we consider relevant to the University's financial statements for the fiscal year ended June 30, 2008.
- Criteria:** Controls should be in place to appropriately categorize and report lease activity on the financial statements. Generally accepted accounting principles require that a lease be capitalized if any one of the following four criteria pertaining to the lease transaction is met: 1) the lease transfers ownership of the property to the lessee by the end of the lease term, 2) the lease contains a bargain purchase option, 3) the lease term is equal to 75% or more of the estimated economic life of the leased property and 4) the present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90% of the fair value of the leased property.
- Information:** The University incorrectly reported "The University Lofts" lease as an operating lease. The lease met the criteria of a capital lease and therefore the liability and associated building would need to be reported in the financial statements. Due to the material nature of this omission, the auditors requested that the University correct the financial statements submitted for audit.
- Cause:** Management did not have proper controls over the lease determination process.
- Effect:** Without proper controls over lease determination, leases could be incorrectly reported which could result in a material misstatement to the financial statements.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Recommendation:** Management should implement controls to ensure that leases are properly evaluated based on the lease agreement and are categorized as a capital lease or an operating lease in accordance with generally accepted accounting principles.

### ALBANY STATE UNIVERSITY

#### Finding Control Number: **FS-521-08-01** REVENUES/RECEIVABLES/RECEIPTS Inadequate Accounting Procedures

**Condition:** The accounting procedures of the University were insufficient to provide for adequate controls over Revenues/Receivables/Receipts. This deficiency was previously reported in findings (FS-521-04-01, FS-521-05-01, FS-521-06-01, and FS-521-07-01) for the years ended June 30, 2004, June 30, 2005, June 30, 2006, and June 30, 2007, respectively.

**Criteria:** Board of Regents Policy Manual Section 704.03 states "All tuition and fees are due and payable upon registration. Exceptions to the time of payment are as follows:

- 1) An institution may defer tuition and fees up to the amount authorized for a specific academic term for students whose fees are guaranteed and will be paid by an outside agency under a documented agreement with the institution.
- 2) An institution may defer tuition and fees up to the amount of the aid granted for a specified academic term for students who have an institution-administered loan or scholarship in process.
- 3) An institution may defer tuition and fees up to the limit stated in the certificate or other document for a specified term for foreign students who have a certificate or other acceptable documented evidence that payment will be made after a statement of charges from the student has been presented for payment."

**Information:** At June 30, 2008, the student accounts receivable subsidiary ledger (BANNER) reported a total of \$759,848 in student receivables which were over ninety days old and had no indication of approved financial aid. Thirty-three of these student accounts were tested to determine if financial aid was available and approved in accordance with Regents directives. None of the student accounts receivable balances tested were supported by approved financial aid.

**Cause:** University management failed to implement satisfactory controls to ensure revenues, receivables, and receipts were properly documented and supported by appropriate approved financial aid. Additionally, University management failed to implement effective controls that adhere to requirements of Section 704.03 of the Board of Regents Policy Manual.

**Effect:** By allowing students to enroll and remain in school without proper approved financial aid and/or tuition and fee deferments, the University has incurred student accounts receivable which were not in accordance with the Board of Regents policies.

**Recommendation:** The University should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over the collection of tuition and fees to ensure adherence to Board of Regents policies.

#### Finding Control Number: **FS-521-08-02** EMPLOYEE COMPENSATION Inappropriate Payments to Student Athletes

**Condition:** The student-athletes participating in the University's institutional work-study program were paid from timesheets which indicated that they had worked during class times or during intercollegiate athletic

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

events where their participation was documented in official game records. This is a repeat finding (FS-521-05-04, FS-521-06-04 and FS-521-07-04) from the years ended June 30, 2005, June 30, 2006, and June 30, 2007, respectively.

**Criteria:** University employees, including work-study program participants, should only be paid based on actual time worked. Supervisory controls should be designed such that time records accurately reflect time work-study participants actually worked and should not conflict with class schedules and/or athletic events.

**Questioned Cost:** A questioned cost was not calculated; however, University's accounting records indicated that \$378,174 was paid from the College Work-study Department and the Health and P. E. Department of the State Appropriations fund for the institutional work-study program. The Board of Regents should review activity charged to these Departments to determine the amount of overpayments. Also, since these payments were made from general operating funds of the University which are subject to lapsing provisions of State law, a determination should be made as to whether any of these funds are subject to be returned as lapsed surplus to the State treasury.

**Information:** During the testing of student-athletes' timesheets, irregularities were noted in payments made to student-athletes participating in the non-Federal institutional work-study program. Testing procedures performed consisted of choosing at least two pay periods during Fall Semester 2007 and/or Spring Semester 2008 for fifteen student athletes. Timesheets submitted by student-athletes were then compared to class schedules, athletic event schedules, and statistics from the athletic events to determine if the students received payments for working while in class or participating in an athletic event. Numerous conflicts were noted between student work-study timesheets and participation in class or athletic events. It was also noted that timesheets reviewed were signed as approved by supervisors. A summary of the conflicts noted is as follows:

1. Eleven athletes reported time worked that conflicted with their class schedules.
2. Eight athletes reported time worked that conflicted with participation in an athletic event.
3. Two student's timesheet were approved before the last day in the pay period and the student reported time worked on the last day of the pay period.

**Cause:** The University failed to implement satisfactory controls to ensure that time records submitted by student-athlete employees reflected actual time worked.

**Effect:** Without satisfactory controls and procedures in place, the University has placed itself in a position where abuse of the institutional work-study program could occur.

**Recommendation:** The University should develop and institute policies and procedures to ensure that written time records for each student-athlete employee are properly maintained and reflect actual time worked. As previously stated, the Board of Regents should review this situation to determine the extent of the overpayments, if any reclaim of funds is appropriate, and if these funds are subject to be returned as lapsed funds to the State treasury.

## COLUMBUS STATE UNIVERSITY

Finding Control Number: **FS-530-08-01**  
EMPLOYEE COMPENSATION  
Inadequate Accounting Procedures

**Condition:** The accounting procedures of the University were insufficient to provide for adequate controls over employee compensation.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Criteria:	The University's management is responsible for designing and implementing internal controls that provide reasonable assurance that employees are properly compensated and that supporting documentation related to employee compensation is maintained, processed and reported within its accounting records.
Information:	An examination of twenty-one (21) employees' personnel files noted that supporting documentation of management's approval for the compensation of ten (10) employees tested could not be provided.
Cause:	These deficiencies were the result of management's failure to ensure that appropriate accounting control procedures were established, implemented and functioning for the employee compensation function.
Effect:	Without proper accounting controls and procedures in place, the University could place itself in a position where potential misappropriation of assets could occur. In addition, the lack of controls could impact reporting of its financial position and results of operations.
Recommendation:	The University should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over the accounting functions for employee compensation.

Finding Control Number: **FS-530-08-02**

### CAPITAL ASSETS

#### Inadequate Capital Asset Records

Condition:	The accounting procedures of the University were insufficient to provide adequate control over Capital Assets.
Criteria:	The University should maintain capital asset records in accordance with capitalization guidelines and instructions provided in Chapter 7 of the Board of Regents' <u>Business Procedures Manual</u> .
Information:	<p>An examination of the Capital Assets Management System at June 30, 2008, revealed the following weaknesses/deficiencies relating to Capital Assets:</p> <ol style="list-style-type: none"><li>1. Equipment purchases totaling \$1,248,660 were not recorded as Capital Assets.</li><li>2. Construction work-in-progress totaling \$326,075 was not recorded as Capital Assets.</li><li>3. Capital Lease additions in the amount of \$137,520 were omitted.</li><li>4. There were numerous items on the inventory listing that were below capitalization thresholds established by the Board of Regents.</li><li>5. The University could not produce evidence of a complete physical inventory count of capitalized equipment. Additionally, controls were not adequate to ensure that the capital equipment listing was complete, accurate, and that the items on the listing were placed in service.</li></ol>
Cause:	The University's management failed to implement satisfactory controls and procedures necessary to properly record and maintain capital asset records.
Effect:	Without proper accounting controls and procedures in place, capital acquisitions and depreciation expense may not be reported in a manner consistent with provisions set forth in Chapter 7 of the Board of Regents' <u>Business Procedures Manual</u> .

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Recommendation:** The University should review the accounting procedures in place and design and implement procedures necessary to ensure that assets are properly recorded and accounted for in the Asset Management Module and on the general ledger.

### FORT VALLEY STATE UNIVERSITY

**Finding Control Number: FS-533-08-01**  
**REVENUES/RECEIVABLES/RECEIPTS**  
**Inadequate Subsidiary Records**

**Condition:** The accounting procedures of the University were insufficient to provide for adequate controls over Revenues/Receivables/Receipts.

**Criteria:** The University's management is responsible for designing and maintaining internal controls that provide reasonable assurance that receivable activity is properly documented, processed and reported.

**Information:** The following deficiencies were noted during testing of receivables:

1. A review of Accounts Receivable - Federal Financial Assistance revealed that \$54,348 of the \$1,760,914 reported on the Statement of Net Assets appeared to be invalid.
2. A review of Accounts Receivable - Other revealed that \$157,139 of the \$1,672,922 reported on the Statement of Net Assets appeared to be invalid.
3. Notes Receivable as reported on the University's Annual Financial report could not be reconciled to the supporting documentation. The University proposed an adjustment of \$651,098 to correct the reporting error on the University's financial statements.

**Cause:** The University failed to implement satisfactory accounting procedures to ensure that all transactions were posted to the appropriate subsidiary modules. Additionally, reconciliations between the general ledger and subsidiary records were not completed by the University.

**Effect:** Without proper accounting controls and procedures in place, the University could place itself in a position where potential misappropriation of assets could occur. In addition, the lack of controls could impact reporting of its financial position and results of operations.

**Recommendation:** To reduce the risk of reporting incomplete and/or inaccurate information, the University should implement policies and procedures to ensure that receivable transactions are posted correctly in the appropriate subsidiary ledger. At a minimum, procedures should be developed which require the reconciliation of subsidiary ledgers to the general ledger on a regular basis.

**Finding Control Number: FS-533-08-02**  
**REVENUES/RECEIVABLES/RECEIPTS**  
**Inadequate Internal Controls**

**Condition:** The accounting procedures of the University were insufficient to provide for adequate controls over revenues and receivables associated with auxiliary services activity.

**Criteria:** The University's management is responsible for designing and maintaining internal controls that provide reasonable assurance that revenue activity is properly documented, processed and reported.

**Information:** The University did not have appropriate policies and procedures in place to ensure that auxiliary revenues associated with student housing and cafeteria sales were properly calculated, processed, and valid. The University did not perform any type of reconciliation between student charges for housing and cafeteria services posted within the BANNER system to other information such as class registers to determine if revenues were for legitimate charges to students on active enrollment status. Testing of

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

auxiliary revenues revealed numerous instances where housing and cafeteria charges were made for students that either were not registered for classes or did not receive services. Also due to the condition of the records, we were unable to verify that students on active enrollment status were the only individuals living in student housing.

**Cause:** The University failed to implement satisfactory accounting procedures to ensure that cafeteria and/or housing charges were valid and properly recorded on the accounting records.

**Effect:** Without proper accounting controls and procedures in place, the University could place itself in a position where auxiliary revenue could be improperly reported. In addition, lack of controls and reconciling procedures could lead to situations where individuals remained in residency status after dropping out of enrollment status.

**Recommendation:** To reduce the risk of reporting incomplete and/or inaccurate information, the University should implement policies and procedures to ensure that auxiliary revenues are valid and recorded correctly. The University should establish reconciliation procedures for student housing and cafeteria charges to ensure that charges are appropriate and services are only provided for students on active enrollment status.

**Finding Control Number: FS-533-08-03**

### EXPENDITURES/LIABILITIES/DISBURSEMENTS

#### Inadequate Internal Controls over the Reporting of Leases

**Condition:** During our examination of Capital Leases, we noted weaknesses in internal controls which we consider relevant to the University's financial statements for the fiscal year ended June 30, 2008.

**Criteria:** Controls should be in place to appropriately report lease activity and the associated capital asset on the financial statements. Generally accepted accounting principles and Board of Regents policy require that capital leases and associated capital assets be reported at the present value of the minimum lease payments at the inception of the lease.

**Information:** In the year under review, the University entered into a capital lease agreement with the Fort Valley State University Properties, LLC, for the lease purchase of a building. The University correctly recorded the capital asset associated with the lease at \$44,048,711.32; however, the corresponding lease liability was recorded utilizing a different amortization schedule and interest rate than was utilized for capitalization of the building. This difference in calculations resulted in an understatement of both interest expense and the capital lease liability of \$713,814.68. To be in compliance with Regents policies, the capital lease liability and the asset should be recorded utilizing the same amortization schedule. Therefore, it was requested that the University provide a correcting entry which was posted to the financial statements.

**Cause:** Management did not properly record capital lease activity in line with Regents policies.

**Effect:** Without proper controls over the reporting of capital lease activity, capital assets or related liabilities could be incorrectly reported in the financial statements.

**Recommendation:** Management should implement controls to ensure that leases are properly evaluated based on the lease agreement and are reported within the financial statements in accordance with generally accepted accounting principles.

**Finding Control Number: FS-533-08-04**

### EMPLOYEE COMPENSATION

#### Inadequate Internal Controls

**Condition:** The accounting procedures of the University were insufficient to provide for adequate controls over Compensated Absences.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Criteria:	The University's management is responsible for maintaining internal controls that provide reasonable assurance that the Compensated Absences balance reflected on the financial statements is properly documented, processed and reported.
Information:	During testing it was noted that in several instances the amounts recorded in the PeopleSoft system for annual leave taken did not agree with timesheets or leave request forms.
Cause:	The University failed to implement a supervisory review or a reconciliation process to ensure that all leave amounts entered into the PeopleSoft system were accurate.
Effect:	Without proper accounting controls and procedures in place, annual leave abuses could occur and the Compensated Absences balance reported could be misstated on the financial statements.
Recommendation:	To reduce the risk of reporting incomplete and/or inaccurate information, the University should implement policies and procedures to ensure that all annual leave taken is properly documented in PeopleSoft. The University should also review compensated absences reports periodically for accuracy, especially at year-end prior to completing year-end journal entries associated with compensated absences.

### GEORGIA GWINNETT COLLEGE

#### Finding Control Number: **FS-540-08-01** CASH AND CASH EQUIVALENTS Inadequate Controls Over Cash and Cash Equivalents

Condition:	Accounting procedures for the College's management of cash were not being administered timely to provide adequate controls over the bank reconciliation process.
Criteria:	An adequate system of internal controls dictate that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) accurate general ledger balances and 4) evidence of an effective supervisory review and approval.
Information:	We noted the following weaknesses/deficiencies related to Cash and Cash Equivalents: <ol style="list-style-type: none"><li>1. The monthly bank statements for the operating account were not reconciled with the general ledger in a timely manner.</li><li>2. Book errors disclosed through the bank reconciliation process were carried as reconciling items for extended periods of time.</li><li>3. Reconciling items reflected on the bank reconciliation for the General Operating account could not be properly documented.</li></ol>
Cause:	College management failed to ensure that safeguards for cash and cash equivalents were operating effectively.
Effect:	The failure to maintain an effective bank reconciliation process increases the risk of material misstatements to the financial statements including misstatements due to fraud.
Recommendation:	The College should ensure that appropriate accounting procedures and controls are operating effectively in an effort to ensure that cash transactions are reviewed and posted on a monthly basis, that detailed records supporting the general ledger are complete, and that reconciling items are resolved in a timely manner.



# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-540-08-02**

### CAPITAL ASSETS

#### Capital Assets Not Properly Maintained

**Condition:** The accounting procedures of the College were insufficient to provide adequate controls over Capital Assets.

**Criteria:** The College should maintain its Capital Asset records in accordance with capitalization guidelines and instructions provided in Chapter 7 of the Board of Regents' Business Procedures Manual. Property management records should be maintained such that additions and deletions are properly recorded, adequate documentation is available supporting deletions and transfers and subsidiary Capital Asset module information supports balances reported in the College's general ledger and financial statements.

**Information:** The following weaknesses/deficiencies were noted relating to Capital Assets:

1. A reconciliation between the Asset Management Module, the General Ledger and the Capital Asset Listing was performed only at year-end instead of monthly, as required.
2. Although the ending balance for Buildings was properly reported on the financial statements, a review of the Construction in Progress activity revealed that prior year expenditure amounts of \$938,635 were included in beginning balance as well as being recorded as current year additions to Construction in Progress. In an effort to correct this duplication in additions, the College also overstated current year reductions to Construction in Progress which effectively "zeroed out" the construction in progress balance upon completion of the project. Adjustments were made to Note 6 to correct the misstatements.
3. Construction in Progress associated with building improvements, of \$215,488 was inappropriately classified as Repairs and Maintenance and not properly capitalized.

**Cause:** The College's management failed to adequately monitor the existing policies, procedures and controls to ensure that capital assets were properly recorded and that the capital asset records were adequately maintained.

**Effect:** Without effective monitoring of accounting controls the College could place itself in a position that could lead to inaccurate internal and external reporting, as well as noncompliance with generally accepted accounting principles.

**Recommendation:** The College should reevaluate policies and procedures to strengthen internal accounting controls over Capital Assets and to ensure that reconciliations are performed on a timely basis so that capital assets are properly recorded on the general ledger.

Finding Control Number: **FS-540-08-03**

### FINANCIAL REPORTING

#### Deficiencies in Financial Statement Preparation

**Condition:** The College's accounting procedures were insufficient to provide for adequate controls over the financial statements preparation process.

**Criteria:** A system of internal control over financial reporting does not stop at the general ledger. Management is responsible for implementing a system of internal control over the preparation of financial statements prepared in accordance with generally accepted accounting principles (GAAP). Additionally, the College is required to annually submit GAAP basis financial statements for inclusion in the State of Georgia's Comprehensive Annual Financial Report (CAFR) and the State of Georgia's Single Audit Report.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Information:	<p>The following deficiencies were noted in the College's GAAP basis financial statements:</p> <ol style="list-style-type: none"><li>1. Proceeds of \$900,000 from a contractual agreement with Sodexho Food Service Company were improperly recorded as revenue in the current year. A material audit adjustment was proposed by auditors and posted to defer these proceeds over the life of the agreement.</li><li>2. Several significant errors were noted in the Notes to the Financial Statements, requiring auditor's adjustment.</li></ol>
Cause:	College's management failed to adequately review the year-end financial statements to ensure that the statements as presented for audit were accurate and properly supported by underlying accounting records.
Effect:	Significant errors and material misstatements were included in the financial statements presented for audit. In addition, the lack of controls and failure to adhere to Board of Regents policies could impact reporting of the College's financial position and results of operations.
Recommendation:	The College should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over the preparation of the financial statements.

Finding Control Number: **FS-540-08-04**

### FINANCIAL REPORTING

#### Inadequate Accounting Procedures for Budget Preparation/Execution

Condition:	Through our examination, it was determined that the College's budgetary basis financial statements were inaccurate and employees and/or management lacked adequate guidance/training to reasonably ensure that these budgetary basis financial statements were properly presented.
Criteria:	Management is responsible for establishing and maintaining internal controls, the purpose of which is to ensure that employees or management are proficient in their assigned functions and for the fair presentation of the budgetary basis financial statements provided for inclusion of the State of Georgia Budgetary Compliance Report.
Information:	Based on information revealed by audit procedures, employees appear to lack sufficient training and/or knowledge to adequately perform their assigned functions related to budgetary compliance activity. A review of the budget basis financial statements revealed multiple post closing entries made by the College between lapsable and non-lapsable funds which suggests that management did not utilize the budgetary components of their financial accounting system as intended.
Cause:	These deficiencies were the result of a lack of internal controls over the preparation of budgetary basis financial statements. In addition, the College failed to ensure that personnel in key accounting functional areas were adequately trained and proficient.
Effect:	A lack of adequate accounting controls and procedures, coupled with ineffective or insufficient training of personnel, could place the College in a situation where incorrect reporting of budget basis financial position could occur.
Recommendation:	The College should establish policies and procedures to ensure that personnel responsible for the accounting and reporting functions are adequately trained and proficient in preparing the entity's budget basis financial statements.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### SAVANNAH STATE UNIVERSITY

Finding Control Number: **FS-548-08-01**  
BUDGET PREPARATION/EXECUTION  
GENERAL LEDGER  
Inadequate Accounting Procedures

**Condition:** Through our examination of the University's budgetary basis financial statements, it was determined that the financial statements contained a number of errors. This deficiency was previously reported in finding FS-548-07-02 from fiscal year ended June 30, 2007.

**Criteria:** Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities and for the fair presentation of the budgetary basis financial statements.

**Information:** A review of the budget basis financial statements revealed the following:

1. Problems were detected in the way that the University voids student refund checks. From our testing, it appears that when the University voids a student refund check, a coding error has been occurring which improperly creates a Student Accounts Receivable. Normally a voided refund should produce a liability which would either be paid to the student or returned to the appropriate funding agency or lender. In an effort to correct the overstatement of Accounts Receivable created by this processing error, the University wrote off \$108,579.73 of student receivables in the year under review. However, it does not appear that the University has addressed situations where a credit/liability should have been created and posted to students' accounts.
2. The University inadvertently wrote off accounts receivables for payroll withholdings in Agency Funds of \$87,819.50 against the budgeted funds. A correcting entry was proposed by the auditor and made to correct the financial statements.
3. The University adjusted an accounts receivable from GSFIC in error by \$19,340.89. An adjustment was proposed by the auditor and made to correct the financial statements.

**Cause:** These deficiencies were the result of a lack of controls over the preparation of the budgetary basis financial statements.

**Effect:** A lack of adequate accounting controls and procedures could place the University in a situation where incorrect reporting of financial position could occur.

**Recommendation:** The University should establish policies and procedures to ensure that amounts posted to the budgetary basis statements are accurate and properly documented.

The University should also review activity posted to students' accounts in the Banner subsidiary ledger to determine if charges/credits are properly applied to students' accounts and if information is properly fed to the PeopleSoft general ledger.

Finding Control Number: **FS-548-08-02**  
REVENUES/RECEIVABLES/RECEIPTS  
Inadequate Control Procedures for Collection of Tuition and Fees

**Condition:** Internal control procedures were insufficient to provide for adequate collection of tuition and fees. This deficiency was previously reported in findings FS-548-07-04 and FS-548-06-04 from fiscal years ended June 30, 2007 and June 30, 2006, respectively.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Criteria:** The Board of Regents' Policy Manual Section 704.03 states, "All tuition and fees are due and payable upon registration. Exceptions to the time of payment are as follows:

1. An institution may defer tuition and fees up to the amount authorized for a specific academic term for students whose fees are guaranteed and will be paid by an outside agency under a documented agreement with the institution.
2. An institution may defer tuition and fees up to the amount of the aid granted for a specified academic term for students who have an institution administered loan or scholarship in process.
3. An institution may defer tuition and fees up to the limit stated in the certificate or other document for a specified academic term for foreign students who have a certificate or other acceptable documented evidence that payment will be made after a statement of charges from the student has been presented for payment."

**Information:** A test of 10 students accounts receivable under one year old revealed 7 instances in which Savannah State University did not comply with the Board of Regents' policies for collecting tuition and fees. It was determined that out of the \$28,805.96 accounts receivable tested, \$22,210.96, were not supported by approved student financial aid.

Inadequate collection procedures contributed to the increase of \$157,888.41 in Allowance for Doubtful Accounts. Also, the University wrote off \$129,688.92 of accounts receivable considered to be uncollectible during fiscal year 2008.

**Cause:** University's management failed to implement adequate policies and procedures to ensure that only students with approved financial aid would receive tuition and fee deferments in accordance with the Board of Regents' policies.

**Effect:** By allowing students to enroll and remain in school without approved financial aid, the University has incurred student accounts receivable which were not in accordance with Board of Regents policy. In addition, the University continued to establish accounts receivable that are not likely to be collected.

**Recommendation:** The University should follow billing and collection guidelines as set forth in the Board of Regents' Business Procedures Manual. Furthermore, no student should be granted a deferment without having approved financial aid.

**Finding Control Number:** FS-548-08-03

### CAPITAL ASSETS

#### Inadequate Capital Asset Records

**Condition:** Accounting procedures of the University were insufficient to provide adequate control over Capital Assets. This deficiency was previously reported in finding FS-548-07-07 from fiscal year ended June 30, 2007.

**Criteria:** The University should maintain capital asset records in accordance with capitalization guidelines and Instructions provided in Chapter 7 of the Board of Regents' Business Procedures Manual.

**Information:** The following weaknesses/deficiencies were noted relating to Capital Assets:

1. The University's Capital Asset Management Module could not be reconciled to the balances reported in the Annual Financial Report. Unidentified variances of \$605,222.00 for Accumulated Depreciation-Buildings and \$2,247.00 for Accumulated Depreciation - Equipment were noted.
2. The schedule of Library Collections was not corrected for adjustments made during the

# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

prior year audit. The beginning balances on the schedule for Library Collections and Accumulated Depreciation - Library Collections did not agree to prior year ending balances by \$12,130.00 and \$7,848.00 respectively.

3. One asset in the amount of \$6,624.00 was erroneously excluded from the Equipment account balance at June 30th.
4. Variances were noted between the Capitals Ledger and Asset Management Module for Buildings and Accumulated Depreciation - Buildings in the amounts of \$10,826,670.00 and \$2,872,817.00 respectively; however, the University's financial statements were adjusted to properly reflect this information.
5. A sample of sixty-six (66) equipment items revealed the following:
  - a) Five assets selected from the listing totaling \$52,288.54 could not be located.
  - b) Two assets totaling \$67,031.01 were traded-in and one asset with a cost of \$58,000.00 was surplus, however, the University failed to remove these items from the Capital Asset Module.
  - c) One asset was not properly decaled.

**Cause:** University's management failed to implement appropriate internal controls and procedures necessary to properly record, maintain and track capital assets.

**Effect:** By failing to accurately record and track capital assets, the University could place itself in a position where potential misappropriation of assets could occur and impact reporting of its financial position and results of operations.

**Recommendation:** The University should establish appropriate procedures and controls to ensure that reconciliations are performed for the Capital Assets Module and the related subsidiary records. In addition, policies and procedures should be established to ensure that an accurate physical inventory of equipment is performed and that all capital assets listed on the capital assets inventory records can be identified by decal number, description and location.

## SOUTHERN POLYTECHNIC STATE UNIVERSITY

Finding Control Number: **FS-550-08-01**

### CAPITAL ASSETS

#### Inadequate Capital Asset Records

**Condition:** Accounting procedures of the University were insufficient to provide adequate controls over Capital Assets.

**Criteria:** The University should maintain capital asset records in accordance with inventory guidelines and instructions provided in Chapter 11 of the Board of Regents' Business Procedures Manual.

**Information:** The following deficiencies were noted relating to Capital Assets:

- 1) Two additions totaling \$32,475 were not included as additions in the Financial Statements.
- 2) A sample of thirty-six (36) capital assets revealed the following:
  - o Fifteen (15) assets included on the capital asset listing were surplus in prior years.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Five (5) assets included on the capital asset listing could not be located.
- One (1) asset included on the asset listing had been transferred to another College.

- 3) A variance was noted between the Capital Asset Listing, the Capitals Ledger, and the Notes to the Financial Statements which totaled \$169,142.

**Cause:** University's management failed to implement appropriate internal controls and procedures necessary to properly record, maintain and track capital assets.

**Effect:** The failure of the University to maintain a complete and accurate capital asset listing can lead to inaccurate internal and external reporting, as well as noncompliance with generally accepted accounting principles.

**Recommendation:** The University should review its capital asset records and make appropriate adjustments to ensure that the capital asset records are accurate. In addition, policies and procedures should be established to ensure that an accurate physical inventory of capital assets is performed to ensure the accuracy of the inventory listing.

**Finding Control Number: FS-550-08-02**  
**REVENUES/RECEIVABLES/RECEIPTS**  
**Inadequate Controls over Continuing Education**

**Condition:** The accounting procedures of the University were insufficient to provide for adequate controls over Revenues/Receivables/Receipts.

**Criteria:** The University's management is responsible for designing and maintaining internal controls that provide reasonable assurance that receipts are properly documented, processed and reported within its accounting records.

**Information:** Internal controls over the receipting process at the Continuing Education Office were lacking. In addition, funds received by the Continuing Education Department are not submitted to the University's Business Office in a timely manner.

**Cause:** University's management failed to implement satisfactory controls to: (1) ensure revenues, receivables, and receipts were properly recorded in the accounting records in a timely manner, (2) ensure amounts posted to the general ledger were accurate and (3) deposits were made in a timely manner.

**Effect:** Failure to implement satisfactory accounting controls and procedures could cause information generated from the general ledger to be inaccurate or misleading which could impact the University's reporting of its financial position and results of operation.

**Recommendation:** The University should implement and monitor controls to provide reasonable assurance that transactions are processed according to the established Board of Regents Procedures.

**Finding Control Number: FS-550-08-03**  
**FINANCIAL REPORTING**  
**Deficiencies in Financial Statement Presentation**

**Condition:** The University's accounting procedures were insufficient to provide for adequate controls over the financial statements preparation process.

**Criteria:** A system of internal control over financial reporting does not stop at the general ledger. Management is responsible for implementing a system of internal control over the preparation of financial statements prepared in accordance with generally accepted accounting principles (GAAP).

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Additionally, the University is required to annually submit GAAP financial statements for inclusion in the State of Georgia Comprehensive Annual Financial Report (CAFR), and the State of Georgia Single Audit Report.

- Information:** Capital Grants and Gifts on the Statement of Revenues, Expenses and Changes in Net Assets and Accounts Receivable - Other on the Statement of Net Assets were both overstated by \$1,949,959.
- Cause:** University's management failed to adequately review the year end journal entries and financial statements to ensure that financial statements as presented for audit were accurate and properly supported by underlying accounting records.
- Effect:** A material misstatement was included in the financial statements presented for audit. An adjusting entry was proposed by the auditors and approved by management to correct this misstatement. Additionally, the lack of controls and failure to adhere to Board of Regents policies could impact reporting of the University's financial position and results of operation.
- Recommendation:** The University should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over the preparation of the financial statements.

### MIDDLE GEORGIA COLLEGE

Finding Control Number: **FS-584-08-01**  
EXPENDITURES/LIABILITIES/DISBURSEMENTS  
EMPLOYEE COMPENSATION  
GENERAL LEDGER  
Inadequate Internal Controls

- Condition:** The accounting procedures of the College were insufficient to provide for adequate controls over (1) Expenditures/Liabilities/Disbursements; (2) Employee Compensation and (3) General Ledger.
- Criteria:** The College's management is responsible for designing and maintaining internal controls to provide reasonable assurance that financial activity is properly documented, processed and reported.
- Information:** The following weaknesses/deficiencies were noted:
- Expenditures/Liabilities/Disbursements  
Of the 39 purchase order transactions reviewed during the course of the audit, two (2) did not contain an approved purchase order or requisition.
- Employee Compensation  
While conducting tests of controls over employee compensation, the auditors noted that internal controls were not sufficient to ensure that the compensated absences balances reported within the financial system reports agreed with annual leave supporting documentation.
- General Ledger  
Journal entries were not reviewed by someone independent of the General Ledger posting function for the majority of fiscal year 2008.
- Effect:** Without satisfactory accounting procedures and controls in place, the College placed itself in a position where potential misappropriation of assets could occur. The lack of controls could impact reporting of the College's financial position and results of operations. In addition, there are some areas for which journal entry approval would provide for better separation of duties for the particular account balance/transaction class.

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Cause:** Management failed to implement adequate controls and procedures to ensure that: (1) expenditures were properly approved prior to purchase; (2) compensated absences were properly maintained and reported and (3) all journal entries were reviewed and approved.

**Recommendation:** The College should review the accounting procedures in place and design and implement procedures relative to the above control categories to strengthen the internal controls over the accounting functions.

### **SOUTH GEORGIA COLLEGE**

Finding Control Number: **FS-587-08-01**

GENERAL LEDGER

CAPITAL ASSETS

Inadequate Accounting Procedures

**Condition:** Accounting procedures of South Georgia College were insufficient to provide adequate controls over reporting of capital leases.

**Criteria:** According to instructions contained in Board of Regents of the University System of Georgia's Business Procedures Manual Section 7.1.5, land, buildings and/or equipment acquired through capital leases should be capitalized if lease agreement meets capitalization criteria.

**Information:** South Georgia College entered into capital leases during the year under review with South Georgia College Foundation, Inc. Neither the capital lease liability nor the capital assets obtained through the leases were recorded within the financial accounting records of the College. Correcting entries were proposed and made by the Institution to properly reflect capital lease activity in the accompanying financial statements.

**Cause:** Management of South Georgia College failed to implement adequate controls and procedures to ensure that all activity of the College was recorded in accordance with generally accepted accounting principles.

**Effect:** The lack of proper accounting policies and procedures could materially impact the College's reporting of its financial position and results of operations.

**Recommendation:** South Georgia College should review the accounting procedures currently in place, identify weaknesses, and design and implement procedures to ensure that all capital lease activity is properly reflected on the financial statements.

### **DEKALB TECHNICAL COLLEGE**

Finding Control Number: **FS-830-08-01**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Inadequate Internal Controls

**Condition:** The accounting procedures of the Technical College were insufficient to provide for adequate controls over accounts payable and expense.

**Criteria:** The Technical College's management is responsible for designing and maintaining internal controls that provide reasonable assurance that all financial activity is properly approved, documented, processed, and reported within the accounting records in accordance with generally accepted accounting principles.

**Information:** A review of subsequent period activity on the College's accounting records, revealed expenses for goods and/or services that were expensed during fiscal year 2009 when the goods and/or services were actually rendered during fiscal year 2008. It appears that the College did not have proper cutoff



# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

procedures in place to ensure that expenses and the associated accounts payable were reported within the appropriate fiscal year.

- Cause: Technical College management failed to implement adequate internal controls to ensure that all of its expense and accounts payable were accurately reported in the correct fiscal year.
- Effect: Without satisfactory accounting policies and procedures in place, the Technical College's reporting of its financial position and results of operations could be adversely affected.
- Recommendation: The Technical College should establish appropriate procedures and controls to ensure that all expense and accounts payable activity is recorded in the proper period for reporting purposes.

Finding Control Number: **FS-830-08-02**

### CAPITAL ASSETS

#### Inadequate Internal Controls

- Condition: The accounting procedures of the Technical College were insufficient to provide for adequate internal controls over Capital Assets.
- Criteria: The State Accounting Office's Accounting Procedures Manual for the State of Georgia states that, "assets purchased, constructed or donated that meet or exceed the State's established capitalization thresholds or minimum reporting requirements must be uniformly classified in conformity with the Accounting Procedures Manual."
- Information: The following weaknesses/deficiencies were noted relating to Capital Assets:

1. The Technical College did not fully conduct a physical inventory of capital assets.
  - a) The College did not provide adequate supporting documentation of the results of its physical inventory.
  - b) The capital asset listing used by the Technical College to perform the physical inventory did not agree with the records found in the Technical College's asset management module or its general ledger.
  - c) The following deficiencies noted in a sample of thirty-six (36) equipment items tested:
    - 1) Three items could not be located by the entity.
    - 2) One asset appeared on the listing twice and was assigned two different tag numbers.
    - 3) Two items had inaccurate locations noted in the asset management module.
    - 4) Four items had no location noted in the asset management module.
    - 5) Asset tags were not visible for seven of the items selected for testing.
2. The College did not perform a year-end reconciliation between the financial statements, general ledger, asset management module, the listing used to perform its physical inventory, or other related subsidiary records.

# State of Georgia

## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### 3. Other weaknesses/deficiencies noted during audit procedures included:

- a) The College overstated current year depreciation by \$56,280 for assets that were added and deleted, during the current year.
- b) Donated Assets were not properly capitalized resulting in an understatement of equipment of \$164,708 and depreciation expense of \$4,854.
- c) A modular building with a cost under \$100,000 was misclassified as buildings instead of equipment as required by the College's capital asset policy. This misclassification also resulted in a depreciation expense overstatement of \$11,672 due to the difference in estimated useful life.

**Cause:** The Technical College's management failed to implement appropriate internal controls and procedures necessary to properly record, maintain and track capital assets.

**Effect:** Without proper accounting controls and procedures in place, the Technical College could place itself in a position where potential misappropriation of assets could occur. In addition, the lack of controls could impact reporting of its financial position and results of operations.

**Recommendation:** The Technical College should establish appropriate procedures and controls to ensure that reconciliations are performed for the Capital Assets Module and the related subsidiary records. In addition, policies and procedures should be established to ensure that an accurate physical inventory of equipment is performed and that all capital assets listed on the capital assets inventory records can be identified by decal number, description and location.

## GEORGIA BUILDING AUTHORITY (REGULAR) (\*)

Finding Control Number: **FS-900-08-01**

### CAPITAL ASSETS

#### Management of Capital Asset Accounts

**Condition:** The Authority did not properly record the depreciation of its current year capital asset additions during the year ended June 30, 2008.

**Criteria:** Generally accepted accounting principles generally require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner.

**Cause:** See above condition

**Effect:** An audit adjustment to decrease depreciation in the amount of \$509,798 was required to be recorded as of June 30, 2008.

**Recommendation:** We recommend the Authority carefully review capital asset transactions based on the Authority's capitalization policy and adhere to generally accepted accounting principles when accounting for capital assets.

Finding Control Number: **FS-900-08-02**

### EXPENSES/EXPENDITURES AND LIABILITIES

#### Management of Accrued Liabilities

**Condition:** The Authority did not properly address the criteria as it related to compensated absences payable that existed as of June 30, 2008.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Criteria:	Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.
Cause:	We addressed this matter with Authority officials and they were able to determine the amount of compensated absences payable that should be recorded as of June 30, 2008.
Effect:	An audit adjustment to increase salaries expense and increase compensated absences payable balances at the conclusion of each reporting cycle.
Recommendation:	We recommend the Authority recognize and record compensated absences as required, and record the necessary adjustments to reflect compensated absences payable balances at the conclusion of each reporting cycle.

### STATE ROAD AND TOLLWAY AUTHORITY (\*)

Finding Control Number: **FS-927-08-01**

#### EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS

##### Reconciliation of Fund Balance

Condition:	The Authority improperly recorded a land sale transaction in fund balance instead of other financing sources.
Criteria:	GAAP requires the recording of any proceeds from the sale of capital assets to be recorded as another financing source.
Context:	We addressed this matter with Authority officials who determined the amounts should have been recorded as another financing source.
Effect:	An audit adjustment to decrease fund balance and increase proceeds from sale of land in the amount of \$1,661,274 was required to be reported by the General Fund as of June 30, 2008.
Recommendation:	We recommend the Authority appropriately analyze all sales of capital assets and perform equity reconciliations during its year-end close out procedures at the conclusion of each fiscal year audit.

Finding Control Number: **FS-927-08-02**

#### EXPENSE/EXPENDITURES AND LIABILITIES

##### Interfund Activity Including Allocating and Recording of Liabilities and Expenditures/Expenses

Condition:	The Authority did not record or adequately estimate certain expenditures that should have been accrued as of June 30, 2008.
Criteria:	Generally accepted accounting principles require reporting of all current liabilities when the goods have been received or services have been performed, regardless of the timing of related cash flows. Respectively, this requires the recognition of all respective expenditures and expenses of each fund.
Context:	We addressed this matter with Authority officials who determined the amounts should have been recorded as of year-end and recorded to the applicable fund.
Effect:	An audit adjustment to increase interfund payables and expenditures in the amount of \$345,431,686 was required to be reported by the General Fund as of June 30, 2008.
Recommendation:	We recommend the Authority begin recognizing and recording reimbursable expenditures/expenses as required at the close of each fiscal year. Further, we recommend the Authority begin recognizing and recording these expenditures during each current accounting period.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FS-927-08-03**

### GENERAL LEDGER

#### Maintenance of the General Ledger (Proprietary Fund)

- Condition:** Internal controls were not sufficient to detect material misstatements in the reporting of the Authority's GA 400 fund relative to the accrued vacation (compensated absences) liability.
- Criteria:** Internal controls should be in place to ensure that the general ledgers of the Authority are maintained properly either as full accrual or modified-accrual accounting methods, based on the governmental accounting standards.
- Context:** We addressed this matter with Authority officials who determined the amounts should have been calculated and recorded properly during the current fiscal year.
- Effect:** An audit adjustment was made in the GA 400 Project Fund to increase the accrued vacation liability in the amount of \$150,739.
- Recommendation:** We recommend the Authority carefully review all transactions of the proprietary funds and ensure that they are properly handling the transactions in accordance with governmental accounting standards.

Finding Control Number: **FS-927-08-04**

### CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

#### Reporting of Investments at Fair Value

- Condition:** Internal controls were not sufficient to detect misstatements in the reporting of the Authority's investments at fair value in the proprietary fund.
- Criteria:** Generally accepted accounting principles require investments to be reported at fair value unless the difference between the fair value and book value is immaterial to the financial statements.
- Context:** We addressed this matter with Authority officials who determined the amounts should have been calculated and recorded properly during the current fiscal year.
- Effect:** Audit adjustments were needed to correctly report investments and unrealized gains on investments in the amount of \$343,048 for the year ended June 30, 2008.
- Recommendation:** We recommend the Authority carefully review all investment transactions to ensure they are reported at fair value.

Finding Control Number: **FS-927-08-05**

### ACCOUNTING CONTROLS (OVERALL)

#### Segregation of Duties Related to the General Ledger Software

- Condition:** Appropriate segregation of duties does not exist due to all employees in the accounting department having the same level of access to all functions of the general ledger software.
- Criteria:** Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.
- Context:** We addressed this matter with Authority officials who determined access was not limited in any manner for accounting department employees.
- Effect:** Failure to properly segregate duties may allow for errors or irregularities to occur and not be detected in a timely manner by employees in the normal course of performing their assigned functions.

# State of Georgia

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## Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Recommendation: We recommend the Authority segregate duties related to the general ledger software for employee's individual duties.

### GEORGIA TECH RESEARCH CORPORATION (\*)

Finding Control Number: **FS-5036-08-01**  
REVENUES/RECEIVABLES/RECEIPTS  
Inadequate Accounting Procedures

Condition: Approximately \$2.4 million of potentially unrecoverable cost overruns were identified for which revenue had been recognized.

Criteria: Revenue should not be recognized for project costs which exceed the amount expected to be billable to the sponsor.

Cause: The Research Corporation has established procedures for identifying cost overruns. However, procedures are not in place to ensure timely determination and communication to accounting regarding the collectability of these overruns.

Effect: The condition could result in costs being incurred that cannot be billed. As a result, revenue related to project costs in excess of contract amounts which are not recoverable would be recognized as revenue in error.

Recommendation: The accumulation of costs on projects should be evaluated on an ongoing basis to minimize instances where estimated total costs exceed the approved contract amount. Procedures should be such that in the event cost overruns do occur, they are easily identified and the potential for recovery of these costs is evaluated by the appropriate individual in a timely manner.

Finding Control Number: **FS-5036-08-02**  
GENERAL LEDGER  
Inadequate Accounting Procedures

Condition: Certain adjustments to revenue and expense to recognize the change in unbilled work in process were incorrectly posted or omitted. The effect of these entries on the change in net assets for the year was negligible since the revenue and expense were approximately equal.

Criteria: Controls should be in place to ensure that posting errors or omissions are prevented or detected.

Cause: A checklist is not utilized to ensure all entries are posted and, if necessary, reversed in the subsequent period.

Effect: The condition could result in misstatements in the financial statements.

Recommendation: Management should consider creating a checklist of all year-end recurring manual entries to ensure that all required entries are posted.

### MEDICAL COLLEGE OF GEORGIA HEALTH, INCORPORATED (\*)

Finding Control Number: **FS-5124-08-01**  
REVENUES AND RECEIVABLES  
Analysis Supporting Valuation of Patient Accounts Receivable and Third-Party Settlements

In the course of our audit test work related to the model used by the Company to calculate the allowance for contractual adjustments and doubtful patient accounts, we noted that the reserve percentages applied by the Company to the patient accounts receivable are not directly supported by historical write-off/cash collection analyses. We also note that the reserve calculations are not performed separately for individual financial classes making up the Company's overall patient accounts

# State of Georgia

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## **Financial Statement Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008**

receivable balance, but rather distinguish only between self-pay balances and insurance liability balances. This may impact the accuracy of reserve calculations in the case of significant intra-period changes in the payor mix of the Company's patient accounts receivable.

Similar observations relate to the area of third-party settlements. This area of accounting includes complex estimates and significant reserves for projected cost settlements. These estimates and reserves should be more directly supported by detailed calculations based on historical settlement data, analysis of historical denials of costs submitted for reimbursement and other relevant evidence.

We acknowledge management's close attention to these important financial statement estimates and progress made in developing a more robust reserving methodology. We recommend that management develop and utilize historical data specific to its various payor classes and final settlement history in order to more precisely identify exposures and opportunities in this area.

**(\*) THIS FINDING WAS A RESULT OF AN AUDIT PERFORMED BY OTHER AUDITORS.**

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**Federal Awards  
Findings and Questioned Costs**

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# State of Georgia

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## Federal Awards Findings and Questioned Costs

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### STATE ACCOUNTING OFFICE

Finding Control Number: **FA-407-08-01**

ALLOWABLE COSTS/COST PRINCIPLES

Failure to submit State-wide Cost Allocation Plan

- Condition:** The State Accounting Office (SAO) failed to prepare and submit the SWCAP for the fiscal year 2008 to the US Department of Health and Human Services (HHS) for approval. As of the end of the fiscal year, the last SWCAP submitted to HHS was the one for fiscal year 2005. Central Service Costs for fiscal year 2008 were calculated based on the amounts approved in the fiscal year 2003 SWCAP.
- Criteria:** The Office of Management and Budget (OMB) Circular A-87, Cost Principles Applicable to Grants and Contracts, in attachment C, Paragraph D, requires each State to submit for approval a SWCAP for each year in which the State claims central service cost relating to its Federal programs. It is further required that the SWCAP be prepared and submitted six months prior to the beginning of each of the governmental unit's fiscal years in which it proposes to claim central service costs.
- Information:** 1. According to Maximus, the vendor under contract to prepare the SWCAP, the plans for fiscal years 2004 and 2005 are awaiting HHS approval; the plan for fiscal year 2006 is approximately 95% complete. Maximus is currently working on the plan for fiscal year 2007.  
2. Submission of SWCAP has previously been the responsibility of the Department of Administrative Services (DOAS). The responsibility was transferred to SAO in fiscal year 2008 but will revert to DOAS in fiscal year 2009.
- Cause:** SAO management's failure to implement adequate internal controls to ensure that OMB Circular A-87 regulations regarding submission requirements for the SWCAP are met.
- Effect:** The failure to remain current with the submission of the SWCAP could result in significant financial adjustments being required for central service costs charged by the State of Georgia on its Federal programs.
- Recommendation:** The State organization responsible for preparation and submission should implement policies and procedures to ensure that the SWCAP is prepared and submitted to HHS at least six months prior to the beginning of the fiscal year when the State proposes to claim central service costs on its Federal programs.

### DEPARTMENT OF EDUCATION

Finding Control Number: **FA-414-08-01**

ACTIVITIES ALLOWED OR UNALLOWED

Failure to ensure all application documentation is available for review

Twenty-First Century Community Learning Centers (CFDA 84.287)

U. S. Department of Education

Grant Award Number: S287C070010

- Condition:** As part of our examination of the 21<sup>st</sup> Century Community Learning Centers Program at the Georgia Department of Education (GDOE), we reviewed all applications submitted by potential subrecipients to determine they were assigned a rating and the applications assigned the highest ratings were awarded funding. The letters that were mailed to each applicant stated a total of sixty-five applications were received for the grant competition. The 21<sup>st</sup> Century Program Manager could only produce applications and reviewer ratings for sixty-three applicants.
- Criteria:** Per The Compliance Supplement under the reauthorized authority, funds flow to States based on their share of Title I, Part A funds. States, in turn, use their allocations to make competitive awards to eligible entities. The Secretary of Education awards 21<sup>st</sup> CCLC grants through a formula grant process

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

to States; the States then award, through a competitive process, subgrants to LEAs community-based organizations (CBOs), other public or private entities, or consortia of two or more of such agencies, organizations, or entities.

- Cause: GDOE has failed to ensure that all application documentation is retained.
- Effect: There is no way to determine whether or not all applications were assigned a rating by reviewers and that applications with the highest ratings were awarded funding.
- Recommendation: The Department should develop and implement policies and procedures to ensure that all information submitted to GDOE as part of the grant application process is retained and available for review.

Finding Control Number: **FA-414-08-02**

### SUBRECIPIENT MONITORING

Failure to monitor subrecipient's activities throughout the fiscal year  
Twenty-First Century Community Learning Centers (CFDA 84.287)

U. S. Department of Education

Grant Award Number: S287C070010

- Condition: Our examination of the 21<sup>st</sup> Century Community Learning Centers Program at the Georgia Department of Education (GDOE) revealed that GDOE stopped conducting site visits for subrecipient monitoring in the third quarter of fiscal year 2008. Due to the weaknesses identified by GDOE, all onsite monitoring activities were suspended until new staff could be trained.
- Criteria: OMB Circular A-133 states in part a pass-through entity is responsible for: 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, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- Cause: This noncompliance is due to GDOE's decision to suspend all subrecipient monitoring until new staff could be trained.
- Effect: Improper program costs may be reimbursed to sub-grantees and not be detected. Improper program costs may include unallowable costs as well as costs that are not reasonable or necessary. When improper program costs are charged to the program, ultimately program objectives, which are to provide expanded learning opportunities for participating children, are compromised.
- Recommendation: The Department should develop and implement a system to monitor subrecipients appropriately. GDOE should train personnel performing the monitoring activities to ensure that these individuals have the necessary skills to conduct site visits for the 21<sup>st</sup> Century Community Learning Centers Program.

Finding Control Number: **FA-414-08-03**

### SUBRECIPIENT MONITORING

Management Decisions on Subrecipient Audit Findings Not Issued Within the Required Time Period

- Condition: As part of our examination, we reviewed tracking documents used by the Georgia Department of Education to determine the status of GDOE's issuance of management decisions on audit findings. We reviewed all audits on the tracking documents noted as being received on or before June 30, 2008, in order to determine that at the time of testing, the six-month period to issue management decisions had been met. Of the one-hundred-five (105) audits identified, ten (10) had not had management decisions issued by GDOE as required by Office of Management and Budget (OMB) Circular A-133.

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Criteria:	OMB Circular A-133 requires that management decisions on audit findings be issued within six months after receipt of the subrecipient's audit report.
Cause:	This noncompliance is due to management decisions not being issued in a timely manner.
Effect:	The condition identified above is in violation of OMB Circular A-133.
Recommendation:	The Department should review and strengthen its in-house monitoring function in an effort to make sure that all management decisions are issued within the six month period of receiving subrecipients audits.

### Federal Program/Award Affected

U. S. Department of Education

Twenty-First Century Community Learning Centers (CFDA 84.287)

### Federal Agencies With Other Affected Programs

U. S. Department of Agriculture – Various Grant Awards Affected

U. S. Department of Education – Various Grant Awards Affected

U. S. Department of Health and Human Services – Various Grant Awards Affected

U. S. Department of Labor – Various Grant Awards Affected

Corporation for National and Community Service – Various Grant Awards Affected

## DEPARTMENT OF COMMUNITY HEALTH (\*)

Finding Control Number: **FA-419-08-01**

### ELIGIBILITY

#### Verification and Documentation of Eligibility

Information:	Federal Program CFDA Nos. 93.777 and 93.778 Medicaid Cluster (State Survey and Certification of Healthcare Providers and Medical Assistance Program) U. S. Department of Health and Human Services Grant Award Nos. 5-0605GA5048, 5-0605GAKBUC, 5-0705GA5028, 5-0705GA5048, 5-0805GA5028 and 5-0805GA5048 Fiscal Year 2008
Criteria:	The Department of Community Health is responsible for administering the State of Georgia's Medicaid program. The Medicaid program is overseen by the U. S. Department of Health and Human Services through the Centers for Medicare and Medicaid Services (CMS). The Department of Community Health is also responsible for determining that all recipients meet prescribed eligibility requirements and those requirements are appropriately documented.
Condition:	<p>This is a modification and partial repeat of finding FA-419-07-02 from the year ended June 30, 2007. The Department of Community Health has contracted with the Department of Family and Children Services (DFCS) to provide enrollment and monitoring services for Medicaid members. During fieldwork we noted six instances in a sample of 60 Medicaid recipients whose eligibility was not properly documented. Those six instances were as follows:</p> <ul style="list-style-type: none"><li>a. Two case files were not able to be located by the Department of Community Health.</li><li>b. Two case files did not contain evidence that eligibility was recertified in accordance with the policies and procedures in place.</li><li>c. One case file did not contain acceptable proof of identification.</li></ul>

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

d. One case file was not signed or dated by the recipient.

**Context:** Members within the Medicaid program must have their eligibility information properly determined and documented in accordance with applicable standards set by CMS and the Department of Community Health's internal policies and procedures.

**Effect:** An indeterminate number of participants are inadequately documented as to proof of eligibility for Medicaid. The monetary effect is that federal funds used to fund the Medicaid program may be used to provide benefits for members who are not eligible for the program.

**Cause:** The Department of Community Health does not have an adequately effective monitoring process in place over DFCS to ensure that all CMS guidelines in regards to the documentation of a member's eligibility are properly followed.

**Recommendation:** The Department of Community Health should improve their verification and documentation monitoring policy for Medicaid members and create more stringent controls over the eligibility process.

**Finding Control Number: FA-419-08-02**

### REPORTING

#### Federal Accounts Receivable

**Information:** Federal Program CFDA Nos. 93.777 and 93.778  
Medicaid Cluster (State Survey and Certification of Healthcare Providers and Medical Assistance Program), State Children's Healthcare Insurance Program (SCHIP)  
U. S. Department of Health and Human Services  
Grant Awards Nos. 5-0605GA5048, 5-0605GAKUC, 5-0705GA5021, 5-0705GA5028, 5-0705GA5048, 5-0805GA5021, 5-0805GA5028, 5-0805GA5048 and 5-0805GAMSEA  
Fiscal Year 2008

**Criteria:** See Financial Audit Finding FS-419-08-02

**Condition:** See Financial Audit Finding FS-419-08-02

**Context:** See Financial Audit Finding FS-419-08-02

**Effect:** See Financial Audit Finding FS-419-08-02

**Cause:** See Financial Audit Finding FS-419-08-02

**Recommendation:** See Financial Audit Finding FS-419-08-02

## GEORGIA FORESTRY COMMISSION

**Finding Control Number: FA-420-08-01**

### REPORTING

#### Failure to Submit Accurate Schedule of Expenditures of Federal Awards

#### Cooperative Forestry Assistance (CFDA 10.664)

#### Forest Legacy Program (CFDA 10.676)

#### U.S. Department of Agriculture

Grant Award Numbers: 07-DG-11083113-001, 07-DG-11083113-008

**Condition:** Our examination of the Schedule of Expenditures of Federal Awards (Schedule) submitted by the Georgia Forestry Commission (Commission) revealed that expenditures for Federal awards as initially reported on the Schedule were incorrect. Expenditures were not reported using GAAP Actuals and

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

	some expenditures were not reported under the correct CFDA number. In addition, subrecipient information was not reported.
Criteria:	The Commission is required to submit a Schedule of Expenditures of Federal Awards which is supported by accounting records to the State Accounting Office for inclusion in the Single Audit Report of the State of Georgia.
Cause:	The Commission failed to implement adequate policies and procedures to ensure that expenditures for Federal awards reported on the Schedule are correct.
Effect:	Failure to accurately report expenditures for Federal awards could result in material misstatements in the financial statements.
Recommendation:	The Georgia Forestry Commission should implement policies and procedures to ensure that expenditures for Federal awards as reported on the Schedule of Expenditures of Federal Awards are accurate.

## DEPARTMENT OF HUMAN RESOURCES

Finding Control Number: **FA-427-08-01**

ACTIVITIES ALLOWED OR UNALLOWED

ALLOWABLE COSTS/COST PRINCIPLES

Deficiencies in Contract Monitoring

Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)

U.S. Department of Human and Health Services

Grant Award Number: BIGASAPT-07

Fiscal Year 2008

Condition:	The Department of Human Resources (Department) did not properly monitor a contract with a not-for-profit organization which resulted in the Department being overcharged up to \$52,000.00.
Criteria:	According to the Internal Revenue Service, "A section 501(c)(3) organization must not be organized or operated for the benefit of private interest, such as the creator or the creator's family, shareholders of the organization, other designated individuals, or persons controlled directly or indirectly by such private interest."
Questioned Costs:	\$52,000.00
Information:	The Department contracted with Georgia State University (GSU) to coordinate The 2nd Annual Georgia School of Addiction Studies conference. GSU in turn sub-contracted in the amount of \$130,500.00 with the not-for-profit organization for "consulting services" for the conference. The budget submitted by the not-for-profit organization reflected a projected carryover balance of \$52,000.00.
Cause:	The Department failed to monitor the deliverables of the contract.
Effect:	Contracts not properly monitored could result in funds spent inappropriately, increasing the risk of material misstatement in the financial statements including misstatements due to fraud.
Recommendation:	The U.S. Department of Health and Human Services should review the contract between the Department of Human Resources and Georgia State University and determine if reimbursement of \$52,000.00 from the not-for-profit organization is appropriate.



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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Number: FA-427-08-02

### ALLOWABLE COSTS/COST PRINCIPLES

#### Internal Control Deficiencies

Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)

State Administrative Matching Grants for Food Stamp Program (FSC) (CFDA 10.561)

Special Programs for the Aging - Title III, Part C - Nutrition Services (AC) (CFDA 93.045)

Temporary Assistance for Needy Families (CFDA 93.558)

Child Support Enforcement (CFDA 93.563)

Refugee and Entrant Assistance - State Administered Programs (CFDA 93.566)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

Developmental Disabilities Basic Support and Advocacy Grants (CFDA 93.630)

Foster Care - Title IV-E (CFDA 93.658)

State Survey and Certification of Health Care Providers and Suppliers (MC) (CFDA 93.777)

Medical Assistance Program (MC) (CFDA 93.778)

U.S. Department of Agriculture, U.S. Department of Human and Health Services

Various Grant Awards

Fiscal Year 2008

**Condition:** Our examination included a review of the allocation schedules, data, and statistics that support the amounts included in the journal entries that were recorded at the end of each quarter to allocate indirect costs to the proper benefiting programs. Our examination revealed the following deficiencies:

1. The supporting allocation schedules, data, and statistics were not independently reviewed for accuracy and completeness prior to recording the journal entries on the general ledger.
2. Costs for four (4) cost centers were not distributed according to the methodology specified in the Cost Allocation Plan for the first two quarters of fiscal year 2008. The cost distribution methodology specified for these cost centers was direct charge. Costs were, however, distributed based on the results of Random Moment Sampling (RMS).
3. Documentation was not properly maintained to support the cost statistics (ratio of claim dollars paid for each division's or office's employees to the total claim dollars paid) that were used to distribute costs for Workers' Compensation premiums.

**Criteria:** The Department of Human Resources' Cost Allocation Plan states that the Department "...will establish and maintain methods and procedures for properly charging the costs of administration services (excluding those purchased) and training activities under the plan in accordance with federal requirements."

**Information:** According to management, reviews are performed after the journal entries are recorded on the general ledger due to time constraints. Management, however, could not provide evidence of these reviews, which should include the review date, the signature of the reviewer, and the results of the review.

**Cause:** The deficiencies noted above occurred as a result of the Department's failure to ensure that the established policies and procedures relating to the allocation of indirect costs were adequate and were properly followed and documented.

**Effect:** Inadequate internal controls and failure to follow established policies and procedures increases the risk of material misstatement in the financial statements including misstatements due to fraud and noncompliance with Federal regulations.

**Recommendation:** The Department of Human Resources should review their internal controls to ensure that they are adequate and provide for proper documentation of the allocation statistics used to allocate costs. In addition, the Department should implement additional controls to ensure that the established policies and procedures relating to the allocation of indirect costs are properly followed and documented.

# State of Georgia

## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Number: FA-427-08-03

### CASH MANAGEMENT

Inadequate Procedures Over Cash Draws of Federal Grants

Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)

State Administrative Matching Grants for Food Stamp Program (FSC) (CFDA 10.561)

Public Health Emergency Preparedness (93.069)

Immunization Grants (CFDA 93.268)

Centers for Disease Control (CDC) and Prevention - Investigations and Technical Assistance (CFDA 93.283)

Temporary Assistance for Needy Families (CFDA 93.558)

Child Support Enforcement (CFDA 93.563)

Low-Income Home Energy Assistance (CFDA 93.568)

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

Foster Care - Title IV-E (CFDA 93.658)

Adoption Assistance (CFDA 93.659)

HIV Care Formula Grants (CFDA 93.917)

U.S. Department of Agriculture, U.S. Department of Human and Health Services

Various Grant Awards

Fiscal Year 2008

Condition: Our examination of Cash Management over Federal Financial Assistance Programs disclosed that the Department of Human Resources (Department) requested Federal funds in excess of program expenditures. The following table identifies the programs and the number of months with requests in excess of expenditures:

CFDA #	Program Name	Number of Months Reimbursements Exceeded Expenditures	Average Monthly Balance of Excess Funds on Hand
10.557	WIC Administration	2	2,200,000.00
	WIC Food Supplement	11	19,900,000.00
10.561	Food Stamps	5	4,800,000.00
93.069	Public Health Emergency Preparedness	5	3,800,000.00
93.268	Immunization	5	900,000.00
93.283	CDC and Prevention - Investigations and Technical	4	2,500,000.00
93.558	TANF	5	25,200,000.00
93.563	CSE	9	5,800,000.00
93.568	LIHEAP	6	1,600,000.00
93.575 & 93.596	CCDF	8	22,200,000.00
93.658	Foster Care	7	5,500,000.00
93.659	Adoption Assistance	2	2,400,000.00
93.917	HIV	11	4,600,000.00

Criteria: Code of Federal Regulations Title 31, Chapter II, Part 205, Subpart A and B indicates that a State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A State and Federal Program Agency must limit the amount of funds transferred to the minimum required to meet a State's actual and immediate cash needs.

Information: See related Financial Statement finding number FS-427-08-04

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Cause:** The Department's policies and procedures for requesting Federal funds to reimburse program costs were inadequate.

**Effect:** Failure to drawdown Federal funds on an as-needed basis could result in an interest liability being incurred.

**Recommendation:** The Department of Human Resources should review their policies and procedures for requesting Federal funds to ensure that they are adequate to meet cash management objectives. The Department should also review the clearance patterns used for drawing Federal funds to ensure that they are still relevant to current trends.

Finding Control Number: **FA-427-08-04**

### ELIGIBILITY

#### Internal Control Deficiencies

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

U.S. Department of Human and Health Services

Grant Award Number: G-0701GACCDF, G-0801GACCDF

Fiscal Year 2008

**Condition:** The Department of Human Resources' (Department) policies and procedures regarding Case Accuracy Reviews (CAR) were not consistently adhered to during fiscal year 2008. Our examination included a review of twelve (12) monthly Child Care CAR reports submitted by eight (8) Division of Family and Children Services (DFCS) offices. We found that three (3) of the eight (8) DFCS offices failed to perform and submit the required number of reviews in a timely manner.

**Criteria:** The case accuracy review guidelines included in Appendix G of the "Childcare and Parent Services" (CAPS) manual, state that "First level reviews will be completed monthly for all programs: FS, Family Medicaid, TANF, TANF/ES and Child Care in all counties. The minimum number of case accuracy reviews for all programs is required to be completed each month unless a reduction request is submitted and approved by the OFI Operations Manager. Because of the direct impact of accuracy reviews on the accuracy rate, a complete waiver of all reviews will not be granted."

**Cause:** The Department failed to ensure that the DFCS offices performed the required number of case accuracy reviews each month or obtained approval for a reduction request in accordance with the guidelines in the CAPS manual.

**Effect:** Failure to follow the guidelines in the CAPS manual regarding the performance of case accuracy reviews can affect the Department's ability to detect instances of noncompliance with Federal program regulations and erroneous payments to childcare providers.

**Recommendation:** The Department of Human Resources should implement additional policies and procedures to ensure that the DFCS offices consistently adhere to the Case Accuracy Review guidelines.

Finding Control Number: **FA-427-08-05**

### ELIGIBILITY

#### Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

U.S. Department of Human and Health Services

Grant Award Number: G-0701GACCDF, G-0801GACCDF

Fiscal Year 2008

**Condition:** Our examination included a review of one hundred forty-five (145) Child Care and Development Fund (CCDF) client case files, including forty-three (43) individually significant case files and a random sample of one hundred two (102) case files. These case files were reviewed at certain Division of

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Family and Children Services (DFCS) offices to determine if benefit payments were made within program guidelines.

The individually significant case files had a value of \$236,591.00. The following deficiencies resulted in overpayments to providers of \$6,952.00:

1. The required eligibility documentation was not properly maintained in one (1) client case file.
2. The eligibility review was not performed at the 26-week interval for five (5) client case files.
3. The annual recertification review was not performed for one (1) client case file.
4. Benefit payments for one (1) client case file did not agree with the benefit amount documented on Form 77.
5. The family fee was incorrectly assessed for four (4) client case files.

The random sample of case files had a value of \$316,436.00 out of a sample population of \$66,782,926.00. The following deficiencies resulted in overpayments to providers of \$3,563.00:

1. The required eligibility documentation was not properly maintained in four (4) client case files.
2. The eligibility review was not performed at the 26-week interval for eight (8) client case files.
3. The annual recertification review was not performed for three (3) client case files.
4. The family fee was incorrectly assessed for three (3) client case files.

**Criteria:**

Section 6401 of the "Childcare and Parent Services Manual" (CAPS) states that "Family fees are based on the family's annual gross income and the number of children receiving subsidized child care." Fees are assessed at the initial application, recertification, when income and/or household composition changes, or when former TANF clients receive Transitional Child Care (TCC).

Section 6902 of the CAPS states that client eligibility reviews must be completed twice a year at 26-week intervals.

Section 6903 of the CAPS states that a face-to-face review is required at annual recertification which must be completed by the last day of the certification period in which the recertification review is due.

Appendix D of the CAPS states that "Active case records should be organized and maintained so that CAPS case managers, supervisors, and other authorized reviewers are able to identify that the initial and continued eligibility requirements are met, and that there is communication and documentation to support all actions relating to the case."

**Questioned Costs:** \$10,515.00

**Cause:** The deficiencies noted above occurred as a result of DFCS management's failure to ensure that case managers were complying with the policies and procedures included in the "Childcare and Parent Services Manual".

**Effect:** Failure to adhere to the prescribed policies and procedures can result in erroneous payments to child care providers.

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Recommendation:** The Department of Human Resources should adhere to prescribed policies and procedures included in the "Childcare and Parent Services Manual" regarding assessing family fees, client eligibility reviews, annual recertification reviews, and file maintenance.

**Finding Control Number:** FA-427-08-06

### ELIGIBILITY

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Foster Care - Title IV-E (CFA 93.658)

U.S. Department of Human and Health Services

Grant Award Number: 0801GA1401

Fiscal Year 2008

**Condition:** Our examination included a review of one hundred twelve (112) Foster Care program benefit payments, including ten (10) individually significant benefit payments and a random sample of one hundred two (102) benefit payments. The corresponding client case files for these benefit payments were reviewed at several Division of Family and Children Services (DFCS) offices to determine if the payments were made in accordance with program guidelines.

The individually significant benefit payments had a value of \$13,891.70. The following deficiency was noted during a review of the corresponding client case files:

1. Benefits continued to be paid under Title IV-E after the child's 18th birthday for nine (9) client case files, resulting in overpayments of \$40,453.83.

The random sample of benefit payments had a value of \$109,156.91 out of a sample population of \$33,670,515.21. The following deficiencies were noted during a review of the corresponding client case files:

1. Benefits were provided for a child that was not documented as being a U.S. citizen or qualified alien for one (1) client case file, resulting in an overpayment of \$101.00.
2. Benefits were provided for a child that was not Title IV-E eligible according to the eligibility determination documented on Form 225 (IV-E Eligibility Documentation Sheet) for one (1) client case file, resulting in an overpayment of \$12.00.

**Criteria:** The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 4, page 4-93.658-5 states in part that "A child must meet the eligibility requirements of the former Aid to Families with Dependent Children (AFDC) program..." "Unless the child is expected to graduate from a secondary educational, or an equivalent vocational or technical training institution before his or her 19th birthday, eligibility ceases at the child's 18<sup>th</sup> birthday."

Section 1003.3 of the "Social Services Manual" states that the Medicaid Eligibility Specialist "...communicates the initial decision for IV-E and Medicaid eligibility via the Form 225, IV-E Eligibility Documentation Sheet."

Section 1003.6 of the "Social Services Manual" states that "The child must be a US citizen or a qualified alien to be IV-E eligible. IV-E can be claimed for an otherwise eligible child pending the SSCM's verification of alien status from the Immigration and Naturalization Service (INS)."

**Questioned Costs:** \$40,566.83

**Cause:** The deficiencies noted above occurred as a result of the Department's failure to ensure that the established policies and procedures in the "Social Services Manual" regarding Foster Care Title IV-E eligibility were being accurately and consistently followed.

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Effect:** Failure to adhere to the prescribed policies and procedures can result in noncompliance with applicable Federal laws, regulations, and other program compliance requirements.

**Recommendation:** The Department of Human Resources should review their internal controls and implement additional controls as needed to ensure that the established policies and procedures in the "Social Services Manual" are being followed.

**Finding Control Number:** FA-427-08-07

### ELIGIBILITY

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Adoption Assistance (CFDA 93.659)

U.S. Department of Human and Health Services

Grant Award Number: 0801GA1407

Fiscal Year 2008

**Condition:** Our examination included a review of one hundred twenty-five (125) Adoption Assistance program benefit payments, including thirty-three (33) individually significant benefit payments and a random sample of ninety-two (92) benefit payments. The corresponding client case files for these benefit payments were reviewed at several Division of Family and Children Services (DFCS) offices to determine if the payments were made in accordance with program guidelines.

The individually significant benefit payments had a value of \$20,376.79. The following deficiencies were noted during a review of the corresponding client case files:

1. Benefits continued to be paid under Title IV-E after the child's 18th birthday for twelve (12) client case files, resulting in overpayments of \$12,675.95.
2. Multiple payments were made to the same provider for the same month of service for twelve (12) client case files, resulting in overpayments of \$5,462.19. Seven (7) of these cases were transfers between counties with both counties making the respective monthly payment.
3. Payments were made to an unapproved provider for one (1) client case file, resulting in an overpayment of \$1,049.37.

The random sample of benefit payments had a value of \$46,230.91 out of a sample population of \$24,328,551.22. The following deficiencies were noted during a review of the corresponding client case files:

1. Two (2) client case files did not contain the court orders with the "contrary to the welfare" language, resulting in overpayments of \$10,037.52.
2. The Adoption Assistance Agreement in one (1) client case file was not signed by the County Director/Designee, resulting in an overpayment of \$5,201.16.

**Criteria:** The following policies and procedures are included in section 109 of the Department of Human Resources' (Department) "Adoption Services Manual":

Section 109.10 – "Monthly and Special Services Adoption Assistance benefits are available through the month of the child's 18th birthday."

Section 109.13 – "If the child is placed in the permanent custody of a private agency, a copy of the VR or TPR must be included along with the petition date and court order with the contrary to the welfare language..."

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Section 109.15 – “The County Director/Designee must approve the amount of Monthly Assistance to be authorized, based on the supporting documentation and the Case Manager's recommendation prior to beginning payment.”

Section 109.26 – “The county of previous residence shall transfer the Adoption Assistance record, in its entirety, to the new county of residence and notify the accounting staff in their county of the transfer. If the appropriate documentation is not included, the new county of residence shall not accept the transfer of the case.”

Questioned Costs: \$34,426.19

Cause: The deficiencies noted above occurred as a result of the Department's failure to ensure that the policies and procedures in the "Adoption Services Manual" were being accurately and consistently followed.

Effect: Failure to adhere to the prescribed policies and procedures can result in noncompliance with applicable Federal laws, regulations, and other program compliance requirements.

Recommendation: The Department of Human Resources should review their internal controls and implement additional controls as needed to ensure that the established policies and procedures in the "Adoption Services Manual" are being followed.

Finding Control Number: **FA-427-08-08**

ELIGIBILITY

SPECIAL TESTS AND PROVISIONS

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Child Support Enforcement (CFDA 93.563)

U.S. Department of Human and Health Services

Grant Award Number: 0704GA4004, 0804GA4004

Fiscal Year 2008

Condition: Our examination included a review of eighty (80) client case files out of a sample population of 5,012,073 cases from the Child Support Enforcement (CSE) program to determine if the Department of Human Resources (Department) complied with applicable Federal laws, regulations, and other program compliance requirements. The following deficiencies were noted:

1. Support charges were not correctly calculated for four (4) client case files.
2. Arrears charges were not correctly calculated for three (3) client case files.
3. The child support obligation was incorrectly charged after emancipation of the child for three (3) client case files.
4. Status of child was not updated in a timely manner for three (3) client case files.
5. Paternity services were not initiated within the required time frames for seven (7) client case files.
6. Support cases were not monitored as necessary for twenty-nine (29) client case files.
7. Delinquent cases were not identified in a timely manner for nine (9) client case files.
8. Income withholding initiation action was not taken in a timely manner for three (3) client case files.

# State of Georgia

## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

9. Enforcement action was not initiated and/or documented when income withholding was not appropriate and/or unsuccessful for one (1) client case file.
10. The availability and affordability of health insurance for the non-custodial parent (NCP) was not documented for fourteen (14) client case files.
11. No documentation was maintained to indicate if the non-custodial parent obtained medical support as ordered for one (1) client case file.
12. Case information recorded in the Support Tracking, Accounting, and Reporting System (\$TARS) was not consistent with information in the case file for twenty-five (25) client case files.

In addition to our review of client case files, we also examined the standard case review forms completed by six (6) local Child Support Offices. We found that the standard case reviews were not consistently performed and/or documented by all six (6) Child Support Offices during fiscal year 2008.

### Criteria:

An adequate system of internal controls calls for: (1) transactions to be properly recorded and accounted for in order to properly prepare reliable financial statements and Federal reports, (2) the performance of case reviews to verify proper calculation of benefit payments paid to or on behalf of eligible clients, (3) sufficient documentation to be present in order to demonstrate compliance with laws, regulations, and other program compliance requirements.

The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 4, pages 4-93.563-6 through 4-93.563-8, requires the State agency administering the Child Support Enforcement program to comply with the following:

1. Establishment of Paternity and Support Obligations "The IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock. The agency must establish a support obligation when paternity is not an issue..." "For State IV-D agencies, these services must be provided within the time frames specified in 45 CFR sections 303.3(b)(3) and (b)(5), 303.3(c) and, 303.4(d)."
2. Enforcement of Support Obligations "...the agency must maintain a system for (a) monitoring compliance with the support obligation; (b) identifying on the date the parent fails to make payments in an amount equal to support payable for one month, or an earlier date in accordance with State or tribal law, those cases in which there is a failure to comply with the support obligation; and (c) enforcing the obligation. To enforce the obligation the agency must initiate income withholding ..." "State IV-D agencies must initiate any other enforcement action, unless service of process is necessary, within 30 calendar days of identification of the delinquency or other support-related noncompliance, or location of the absent parent, whichever occurs later."
3. Securing and Enforcing Medical Support Obligations - State Programs "The State IV-D agency must attempt to secure medical support information, and establish and enforce medical support obligations for all individuals eligible for services under 45 CFR section 302.33." "...In cases where medical support is ordered, the agency is required to verify that it was obtained. If it was not obtained, the agency should take steps to enforce the health insurance coverage required by the support order, unless it determines that health insurance was not available to the absent parent at reasonable cost..."

### Cause:

The deficiencies noted above were the result of the Department's failure to implement adequate internal control policies and procedures to ensure that benefit payments were correctly calculated, supporting documentation was maintained, all transactions and related case data were properly recorded in the accounting records, and standard case reviews were consistently performed.



# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Effect:** Failure to maintain an adequate system of internal controls increases the risk that the Department will not comply with the applicable Federal laws, regulations, and other program compliance requirements.

**Recommendation:** The Department of Human Resources should develop and implement additional policies and procedures to ensure that benefit payments are correctly calculated, supporting documentation is maintained, and all transactions and related case data are properly recorded in the accounting records. The Department should also ensure that standard case reviews are performed consistently, and include cases from each function (intake, establishment, enforcement, etc.) so that all areas of the standard case review are utilized.

**Finding Control Number:** FA-427-08-09

### REPORTING

Failure to Accurately Report Transfers of TANF Funds

Temporary Assistance for Needy Families (CFDA 93.558)

U.S. Department of Human and Health Services

Grant Award Number: G-0602GATANF

Fiscal Year 2008

**Condition:** Our examination included a review of transfers of funds from the Temporary Assistance for Needy Families (TANF) program to other programs during fiscal year (FY) 2008 to determine if the funds were properly reported. We found that the total amount of Federal fiscal year 2006 TANF funds that were drawn and transferred to the Social Service Block Grant (SSBG) program did not agree with the amount reported on the TANF ACF-196 financial reports for all four quarters of FY 2008.

**Criteria:** The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, page 4-93.558-27, states in part that "...funds may be transferred out of TANF into the Social Services Block Grant (Title XX) (CFDA 93.667) and the Child Care and Development Block Grant (CFDA 93.575). These transfers are reflected on the quarterly ACF-196, TANF Financial Report. The amounts transferred out of TANF are subject to the requirements of the program into which they are transferred..."

The U.S Department of Health and Human Services Administration for Children and Families (ACF) Program Instruction No. TANF-ACF-PI-2003-07 states in part that "...the cumulative total of funds transferred to the Social Services Block Grant (SSBG) program from October 1 of the Federal fiscal year for which the report is being submitted through the current quarter being reported..." should be reported in line 3 of the ACF-196 report.

**Cause:** The deficiencies noted above occurred as a result of the Department's failure to have adequate policies and procedures in place to ensure that the amount of Federal TANF funds that were drawn and transferred, as documented on the general ledger, were accurately reported on the TANF ACF-196 financial reports.

**Effect:** Failure to have adequate policies and procedures over reporting transfers of TANF funds could result in noncompliance with Federal regulations.

**Recommendation:** The Department of Human Resources should develop and implement policies and procedures to ensure that transfers are properly reported on the TANF ACF-196 financial reports.

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FA-427-08-10**

### REPORTING

Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

Public Health and Social Services Emergency Fund (CFDA 93.003)

Immunization Grants (CFDA 93.268)

Hospital Preparedness Program (CFDA 93.889)

Preventive Health Services Sexually Transmitted Diseases Control Grants (CFDA 93.977)

Various Grant Awards

Fiscal Year 2008

- Condition: Our examination of the Schedule of Expenditures of Federal Awards (Schedule) submitted by the Department of Human Resources (Department) revealed the following exceptions:
1. The monetary amount for three (3) Federal awards and the nonmonetary amount for one (1) Federal award as initially reported on the Schedule were incorrect.
  2. The Schedule did not include expenditure amounts paid to subrecipients outside the state reporting entity.
- Criteria: The Department is required to submit a Schedule of Expenditures of Federal Awards which is supported by accounting records to the State Accounting Office for inclusion in the Single Audit Report of the State of Georgia.
- Cause: The Department failed to implement adequate policies and procedures to ensure that expenditures for Federal awards and amounts paid to subrecipients reported on the Schedule are correct.
- Effect: Failure to accurately report expenditures for Federal awards could result in material misstatements in the financial statements.
- Recommendation: The Department of Human Resources should implement policies and procedures to ensure that expenditures for Federal awards and amounts paid to subrecipients as reported on the Schedule of Expenditures of Federal Awards are accurate.

### Federal Agencies With Other Affected Programs

U.S. Department of Agriculture

U.S. Department of Education

U.S. Department of Health and Human Services

Finding Control Number: **FA-427-08-11**

### REPORTING

Internal Control Deficiencies

Temporary Assistance for Needy Families (CFDA 93.558)

U.S. Department of Human and Health Services

Grant Award Number: G-0702GATANF, G-0802GATANF

Fiscal Year 2008

- Condition: Errors and questionable data identified by the Department of Human Resources (Department) during monthly reviews of the Temporary Assistance for Needy Families (TANF) performance reports (ACF-199) were not consistently investigated and resolved prior to submission to the Federal awarding agency. This was evident by the number of repeat errors and questionable data that were identified during the monthly reviews.
- Criteria: In accordance with the Department's policies and procedures for Performance Reporting, accuracy and completeness of the TANF ACF-199 reports are verified through monthly reviews of the case and

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

client-level source data included in the reports. Errors and questionable data identified during the reviews are researched prior to submitting the reports to the Federal awarding agency.

**Information:** Internal control procedures were developed and implemented by the Department in February 2008 to address the deficiency identified above. Our examination of the monthly reviews performed after February revealed a reduction in the number of repeat errors and questionable data identified in the TANF performance reports.

**Cause:** The Department failed to have adequate internal control procedures in place throughout the fiscal year to ensure that the errors and questionable data identified during the monthly reviews of TANF performance reports (ACF-199) were consistently investigated and resolved prior to submitting the reports to the Federal awarding agency.

**Effect:** Although the number of errors and questionable data identified during the monthly reviews were very small in relation to the number of TANF cases reported in the ACF-199 reports, failure to correct errors and questionable data as they are identified could potentially result in material noncompliance with regard to performance reporting in the future.

**Recommendation:** The Department of Human Resources should review the internal control procedures that were implemented in February 2008 and develop additional procedures if necessary to ensure that errors and questionable data identified during the monthly reviews are investigated and resolved prior to submitting the TANF performance reports (ACF-199) to the Federal awarding agency.

**Finding Control Number: FA-427-08-12**

### REPORTING

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Temporary Assistance for Needy Families (CFDA 93.558)

Child Support Enforcement (CFDA 93.563)

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

Foster Care - Title IV-E (CFDA 93.658)

Adoption Assistance (Title IV-E) (CFDA 93.659)

U.S. Department of Human and Health Services

Grant Award Number: G-0702GATANF, G-0802GATANF, 0704GA4004, 0804GA4004, G-0701GACCDF, G-0801GACCDF, 0801GA1401, 0801GA1407.

Fiscal Year 2008

**Condition:** Our examination included a review of the financial reports for the Temporary Assistance for Needy Families (TANF) program, Child Support Enforcement (CSE) program, Child Care Development Fund (CCDF) program, Foster Care program, and Adoption Assistance program that were submitted to the Federal awarding agency for the quarters ending September 30, 2007, December 31, 2007, March 31, 2008, and June 30, 2008. The following deficiencies were identified:

- (1) Financial reports were not consistently submitted to the Federal awarding agency in a timely manner. Forty-three (43) out of the forty-eight (48) financial reports reviewed were not submitted by the required due date.
- (2) The date of approval and certification of the financial reports by the Office of Financial Services Director was not documented for the reports that were submitted for the quarters ending September 30, 2007, December 31, 2007, and March 31, 2008.
- (3) Five (5) of the financial reports for TANF were not properly reconciled to the general ledger prior to being submitted to the Federal awarding agency. Unidentified differences totaling \$110,002.48 were noted between the general ledger and the financial reports.

# State of Georgia

## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Criteria:** According to the Department of Human Resources' (Department) internal control procedures for Financial Reporting, "All reports are subject to supervisory review before certification and submission to the grantor agencies. Supervisors assure the reports agree to the accounting records, or that adjustments are explained."

The required financial reports must be submitted within the timeframe established by the U.S. Department of Health and Human Services Administration for Children and Families (ACF). The following table identifies the due dates for submission of the financial reports:

CFDA #	Program Name	Due Date for Submission
93.558	TANF	The ACF-196 reports must be received by ACF within 45 days after the end of each fiscal year quarter.
93.563	CSE	The OCSE-34A reports and parts one (1) and two (2) of the OCSE-396A reports must be submitted quarterly within 30 days of the end of each fiscal quarter. Part (3) of the OCSE-396A reports must be submitted semiannually by April 30 and October 30. As of 10/1/2007, part (3) of OCSE-396A is no longer required.
93.575/ 93.596	CCDF	The ACF-696 reports must be submitted quarterly by January 31, April 30, July 31 and October 31.
93.658	Foster Care	The ACF-IV-E-1 reports (Parts 1 and 2) must be submitted quarterly by January 30, April 30, July 30, and October 30, respectively.
93.659	Adoption Assistance	The ACF-IV-E-1 reports (Parts 1 and 2) must be submitted quarterly by January 30, April 30, July 30, and October 30, respectively.

**Information:** While deficiencies were noted with the reports submitted for all four quarters of fiscal year 2008, there were noticeable improvements with the financial reports submitted for the quarter ending June 30, 2008.

**Cause:** The deficiencies noted above were the result of the Department's failure to ensure that the established internal control procedures for Financial Reporting were consistently performed and that adequate internal control procedures were in place to ensure that the financial reports were properly reconciled and submitted to the awarding agency within the required timeframe.

**Effect:** Failure to adhere to the prescribed internal control procedures could result in the submission of inaccurate and/or incomplete financial reports. Failure to submit the financial reports within the required timeframe will result in noncompliance with Federal program regulations.

**Recommendation:** The Department of Human Resources should ensure that the established internal control procedures for Financial Reporting are adequate and operating as designed. The Department should also develop and implement additional internal control procedures to ensure that the financial reports are submitted within the required timeframe and that reconciliations are properly performed and any differences are properly investigated and documented.

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FA-427-08-13**

### REPORTING

Internal Control Deficiency/Noncompliance with Federal Program Regulations

Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)

U.S. Department of Human and Health Services

Grant Award Number: 06B1GASAPT

Fiscal Year 2006

- Condition:** The Department of Human Resources (Department) failed to complete the financial status report (SF-269A) for the Block Grants for Prevention and Treatment of Substance Abuse program that was required to be submitted to the Federal awarding agency for the grant period ending September 30, 2007.
- Criteria:** According to the Code of Federal Regulations, Title 45, Section 96.30, "...Grantees shall submit the information required by paragraph (b) (1), (2), and (3) of this section on OMB Standard Form 269A, Financial Status Report (Short form). Grantees are to provide the requested information within 90 days of the close of the applicable statutory grant periods."
- Information:** The Department had not completed or submitted the SF-269A report as of June 30, 2008 (six months after the due date).
- Cause:** The deficiency noted above occurred as a result of the Department's failure to ensure that the established internal control procedures for Financial Reporting were properly followed.
- Effect:** Failure to complete and submit the financial status report for the Block Grants for Prevention and Treatment of Substance Abuse program within the required timeframe resulted in noncompliance with Federal program regulations.
- Recommendation:** The Department of Human Resources should review their internal control procedures for Financial Reporting and implement additional procedures as needed to ensure that the financial status report is properly completed, reviewed and submitted within the required timeframe.

Finding Control Number: **FA-427-08-14**

### REPORTING

Noncompliance with Federal Regulations

Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)

Through – Ross Products, Inc.

Fiscal Year 2008

- Condition:** The Department of Human Resources (Department) failed to provide written notification to the pass-through organization, Ross Products, Incorporated, that a single audit was performed in accordance with Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and that there were no findings associated with the Federal awards received from the organization.
- Criteria:** Organizations that administered one or more Federal assistance programs funded by a pass-through organization outside the reporting entity of the State or the Federal government are required to perform the following procedures if there were no prior year or current year findings in the previous fiscal year Statewide Single Audit dealing with Federal programs supported with Federal funds provided by the pass-through organization: Provide written notification to the pass-through organization that a single audit was performed in accordance with OMB Circular A-133 and that there were no findings associated with the Federal awards received from the pass-through organization.
- Cause:** Adequate internal control procedures were not in place to ensure that the required written notifications were provided to the pass-through organization.

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

**Effect:** Failure to provide the required written notifications to the pass-through organization resulted in noncompliance with Federal regulations.

**Recommendation:** The Department of Human Resources should develop and implement policies and procedures to ensure that written notifications are provided to the pass-through organization as required.

**Finding Control Number: FA-427-08-15**  
**SUBRECIPIENT MONITORING**  
Inadequate Monitoring of Subrecipients  
HIV Care Formula Grants (CFDA 93.917)  
U.S. Department of Human and Health Services  
Grant Award Number: X07HA00040  
Fiscal Year 2008

**Condition:** Our examination included a review of the summary of findings report issued to each Ryan White Part B Consortia after the administrative site visits were performed. During our review we found that the administrative site visits were not performed on six (6) of the sixteen (16) Ryan White Part B Consortia.

**Criteria:** The FY 2008 Public Health Master Agreement Annex for Programmatic Reporting Requirements, page 8, states in part that the HIV Section will "...Conduct at least 1 (one) Administrative site visit inclusive of an ADAP site visit by October 1."

**Information:** Management stated that some of the annual site visits were not completed due to staff shortages.

**Cause:** The Department of Human Resources did not ensure that the established policies and procedures for performing annual administrative site visits were properly followed.

**Effect:** Failure to follow established policies and procedures for performing annual administrative site visits can result in noncompliance with applicable Federal laws, regulations, and other program compliance requirements.

**Recommendation:** The Department of Human Resources should adhere to the prescribed policies and procedures for performing annual administrative site visits at the Ryan White Part B Consortia.

**Finding Control Number: FA-427-08-16**  
**SPECIAL TESTS AND PROVISIONS**  
Internal Control Deficiencies/Noncompliance with Federal Program Regulations  
Temporary Assistance for Needy Families (CFDA 93.558)  
U.S. Department of Human and Health Services  
Grant Award Number: G-0702GATANF, G-0802GATANF  
Fiscal Year 2008

**Condition:** Our examination included a review of the entire population of seventy-one (71) client case files totaling \$185,533.00 from the Temporary Assistance for Needy Families (TANF) program that were identified by the Office of Child Support Services (OCSS) as failing to provide the required cooperation with Child Support Enforcement to determine if benefit payments were properly terminated. The following deficiencies were identified during our examination:

(1) TANF clients continued to receive benefit payments in error after OCSS made the request to terminate benefits for five (5) client case files, resulting in \$6,290.00 of claims being paid in error.

(2) A request to terminate benefits was not sent by OCSS for thirty (30) client case files that were identified in the Support Tracking, Accounting, and Reporting System (\$TARS) as failing to

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

cooperative with Child Support Enforcement (CSE). The reason OCSS did not request a sanction for these cases was not documented.

**Criteria:** OMB Circular A-133, Compliance Supplement, Part 4 (4-93.558), III, N.1 states, "If the State agency responsible for administering the State plan approved under Title IV-D of the Social Security Act determines that an individual is not cooperating with the State in establishing paternity, or in establishing, modifying or enforcing a support order with respect to a child of the individual, and reports that information to the State agency responsible for TANF, the State TANF agency must (1) deduct an amount equal to not less than 25 percent from the TANF assistance that would otherwise be provided to the family of the individual, and (2) may deny the family any TANF assistance."

Section 1320 - Child Support Enforcement of the "Economic Support Services Manual" states that if a client fails to cooperate with CSE, "CSE will notify DFCS and DFCS must determine if good cause exists." If a client fails to cooperate with CSE without good cause, the client is ineligible for cash assistance.

**Questioned Costs:** \$6,290.00

**Information:** During our examination, there were several instances where OCSS indicated that a request to terminate benefits was sent but the Division of Family and Children Services (DFCS) stated that they had not received a request.

**Cause:** The Department of Human Resources (Department) did not have sufficient internal controls in place to ensure adequate communication between the Department's DFCS offices and OCSS regarding the status of TANF clients that failed to cooperate with Child Support Enforcement without good cause and to ensure that sanctions (denial of TANF assistance) were applied in a timely manner after non-cooperation was determined.

**Effect:** OMB Circular A-133 states that the Department of Health and Human Services may penalize a State for up to five percent of the grant for failure to substantially comply with the required State child support program.

**Recommendation:** The Department of Human Resources should develop and implement policies and procedures to provide for more effective communication between the Department's DFCS offices and OCSS regarding the status of TANF clients and to ensure that sanctions are properly applied in a timely manner for cases where the client failed to cooperate with Child Support Enforcement without good cause.

### *Governor's Council on Developmental Disabilities*

Finding Control Number: **FA-427-08-100**

ACTIVITIES ALLOWED OR UNALLOWED

ALLOWABLE COSTS/COST PRINCIPLES

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Developmental Disabilities Basic Support and Advocacy Grants (CFDA 93.630)

Grant Award G-0801GABS11, Grant Year 2008

**Condition:** During the course of our examination, we uncovered potentially fraudulent transactions involving the Fiscal Officer for the Governor's Council on Developmental Disabilities (GCDD), which is administratively attached to the Department of Human Resources (DHR). The results of our examination are as follows:

- We found that charges were paid to a fictitious vendor. It was determined that the fictitious vendor was actually the Fiscal Officer's spouse. All of the vendor's invoices appear to have been created and approved by the Fiscal Officer, who also picked up each check written to the fictitious

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

vendor from the accounting department of DHR. All of the checks were endorsed using the name of the fictitious vendor but appear to be in the Fiscal Officer's handwriting. Additionally, a contract for the fictitious vendor was created, and authorizing signatures were stamped and/or cut and pasted. However, no payments were actually made under the contract as it was produced by the Fiscal Officer after all payments had been made.

- Five (5) travel expense reimbursements paid to the Fiscal Officer were invalid and not properly authorized. In addition, it was determined that the GCDD paid \$98.70 for a hotel room for which the Fiscal Officer was responsible for paying but has yet to do so.
- One (1) charge in the amount of \$18.89 was made by the Fiscal Officer at Publix (supposedly for two flash drives) using a co-worker's purchasing card. The co-worker's signature does not appear to be valid. No receipt was turned in by the Fiscal Officer to substantiate the charge.

Others items of note are as follows:

- The Employer Identification Number on the fictitious contract matches the Social Security Number of the Fiscal Officer's spouse.
- The account number written on the back of eight of the endorsed checks matches the Fiscal Officer's direct deposit account number for her paychecks.
- There was no evidence of a proper background check, or proof of the degree that was listed on the Fiscal Officer's resume, as required by the Accounting Procedures Manual for the State of Georgia.
- An outdated contract template was found on the Fiscal Officer's desktop computer that matched the fictitious contract.
- Three partial invoices were found on the Fiscal Officer's desktop computer that matched the fictitious vendor invoices.
- Several documents were found indicating that the Fiscal Officer was enrolled in entry level college courses at a university.

### Criteria:

According to The Catalog of Federal Domestic Assistance, the State Developmental Disabilities Council may use allotments under the Developmental Disabilities Basic Support and Advocacy Grants (CFDA 93.630) program "...for priority area and other activities, including administrative costs, to build capacity, to refocus existing services, and to advocate to better meet the needs of individuals with developmental disabilities. The designated State agency in each State receives, accounts for and disburses funds, and provides for required assurances and other administrative support services on behalf of the State Developmental Disabilities Council..."

The Accounting Procedures Manual for the State of Georgia (Manual), Section Five, pages 5-1-1 and 5-1-2 states, in part: 1) "Each State organization is responsible for adopting an internal control framework that is suitable for the type of services they provide ..." 2) "Each State organization has a responsibility to assess their internal control system and use this information to design, implement, and monitor internal controls that are suitable for their organization."

An adequate system of internal controls should provide for proper separation of duties. The Accounting Procedures Manual for the State of Georgia (Manual), Section Five, page 5-4-3, states, in part that "No one individual should control all the key aspects of a transaction or event. By separating key tasks and responsibilities...management can reduce the risk or error, waste, or wrongful acts occurring or going undetected."

In addition, the Accounting Procedures Manual for the State of Georgia (Manual), Section Five, page 5-8-2, states, in part that when hiring employees, management should "...Thoroughly check education, employment history, and personal references..."



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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

The State of Georgia Purchasing Card Policy, pages 7 and 10, states, in part: 1) "Only the employee whose name appears on the face of the P-Card is authorized to initiate transactions with the card. Use of the card by any other person is considered misuse of the card..." 2) Internal controls must include "Appropriate separation of duties between making transactions (cardholders), review and approval of transactions for payment (approving officials), and payment of the monthly billing statement (Accounts Payable)..."

Questioned Costs: \$61,153.35

Cause: The GCDD failed to develop and implement an adequate system of internal controls that would provide for proper separation of duties, safeguarding the use of State Issued Purchasing Cards, and appropriate hiring procedures. In addition, DHR failed to provide appropriate oversight of checks issued and delivered to GCDD.

Effect: Failure to maintain an adequate system of internal controls increases the risk of material misstatement in the financial statements including misstatements due to fraud and noncompliance with Federal program regulations.

Recommendation: The Governor's Council on Developmental Disabilities (administratively attached to the Department of Human Resources) should:

- Establish internal controls to provide for adequate separation of duties regarding its accounting functions.
- Implement appropriate hiring procedures as documented in the Accounting Procedures Manual for the State of Georgia.
- Establish additional controls for safeguarding the use of State issued Purchasing Cards, including keeping them in a secure location and having each card accessible only to the authorized user.

The Department of Human Resources should establish controls to provide oversight of checks issued. This includes establishing controls to minimize the number of checks that may be picked up by individuals.

## DEPARTMENT OF LABOR

Finding Control Number: **FA-440-08-01**

ACCOUNTING CONTROLS (OVERALL)

Inadequate Supporting Documentation for Adjusting Journal Entries

Employment Service/Wagner-Peyser Funded Activities (ESC) (CFDA 17.207)

Disabled Veterans' Outreach Program (DVOP) (ESC) (CFDA 17.801)

Local Veterans' Employment Representative Program (ESC) (CFDA 17.804)

Unemployment Insurance Administration (UI) (CFDA 17.225)

Rehabilitation Services - Vocational Rehabilitation Grants to States (CFDA 84.126)

Information: U. S. Department of Labor  
Grant Award Numbers: Year 2005 – UI-14429-05-05; Year 2006 – UI-15116-06-55; Year 2007 - ES-15690-06-55, UI-15793-07-55, H126A070088; Year 2008 – ES-16259-07-55-A-13, UI-16741-08-55A-13, H126A080088

Condition: See Financial Statement Finding FS-440-08-01

Criteria: See Financial Statement Finding FS-440-08-01

Cause: See Financial Statement Finding FS-440-08-01

Effect: See Financial Statement Finding FS-440-08-01

# State of Georgia

## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Recommendation: See Financial Statement Finding FS-440-08-01

Finding Control Number: **FA-440-08-02**

### CASH MANAGEMENT

Inadequate Procedures over Cash Draws of Federal Grants

Employment Service/Wagner-Peyser Funded Activities (ESC) (CFDA 17.207)

Disabled Veterans' Outreach Program (DVOP) (ESC) (CFDA 17.801)

Local Veterans' Employment Representative Program (ESC) (CFDA 17.804)

Unemployment Insurance Administration (UI) (CFDA 17.225)

See related Financial Statement finding number FS-440-08-05

Information: U. S. Department of Labor

Grant Award Numbers: Year 2004 – UI-13542-04-55; Year 2005 – ES-13991-04-55, UI-14429-05-55; Year 2006 – ES-14859-05-55, E-9-5-6-5057, UI-15116-06-55; Year 2007 – ES-15690-06-55, E-9-5-7-5057, UI-15793-07-55; Year 2008 – ES-16259-07-55-A-13, E-9-5-8-5057, UI-16741-08-55-A-13

Condition: Our examination of Cash Management over Federal Financial Assistance Programs disclosed that the Department of Labor (Department) requested Federal funds in excess of program expenditures. The following table identifies the programs and the number of months with requests in excess of expenditures:

CFDA #	Program Name	Number of Months Reimbursements Exceeded Expenditures	Average Monthly Balance of Excess Funds On Hand
17.ESC	Employment Service Cluster	3	2,432,000.00
17.225	Unemployment Insurance Administration	4	4,211,000.00

Criteria: The Code of Federal Regulations Title 31, Chapter II, Part 205, Subpart A and B indicates that a State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A State and Federal Program Agency must limit the amount of funds transferred to the minimum required to meet a State's actual and immediate cash needs.

Cause: The Department's policies and procedures for requesting Federal funds to reimburse program costs were inadequate.

Effect: Failure to drawdown Federal funds on an as-needed basis could result in an interest liability being incurred.

Recommendation: The Department of Labor should review their policies and procedures for requesting Federal funds to ensure that they are adequate to meet cash management objectives. The Department should also review the clearance patterns used for drawing Federal funds to ensure that they are still relevant to current trends.

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## **Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FA-440-08-03**

PERIOD OF AVAILABILITY OF FEDERAL FUNDS

Expenses Recorded Outside of Grant Period

Unemployment Insurance Administration (UI) (CFDA 17.225)

**Information:** U. S. Department of Labor  
Grant Award Numbers: Year 2003 – UI-12633-03-55; Year 2004 – UI-13542-04-55; Year 2005 – UI-14429-05-55; Year 2006 – UI-15116-06-55; Year 2007 – UI-15793-07-55; Year 2008 – UI-16741-08-55-A-13

**Condition:** Our examination included a review of expenses charged by the Department of Labor (Department) for the Unemployment Insurance (UI) Administration program. We noted that certain expenses were recorded outside of the grant period.

**Criteria:** The Unemployment Insurance Administration grant is made up of non-automation and automation funds. ET Handbook No. 336 defines automation funds as: "the costs of goods and services directly related to the automation of UI operations. Automation goods consist of computers and their peripheral and auxiliary equipment and associated software." The handbook also defines the funding period as follows: "Non-automation funds must be obligated by December 31 of the following fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Automation funds must be obligated by the end of the 3rd fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date on written request."

Federal regulations at 29 CFR 97.23(b) states: "A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period...The Federal agency may extend this deadline at the request of the grantee."

**Information:** A review of expenses recorded on the general ledger for the Unemployment Insurance Administration non-automation grants noted that there was \$448.61 charged to the fiscal year 2003 grant, \$906,512.07 charged to the fiscal year 2005 grant, and \$580,224.97 charged to the fiscal year 2006 grant. Also, a review of expenses recorded on the general ledger for the Unemployment Insurance Administration automation grants noted that there was \$361,340.75 charged to the fiscal year 2004 grant. Based on our review of grant awards provided by the Department, there should not have been expenses recorded in the fiscal year 2003, 2005, and 2006 Unemployment Insurance Administration non-automation grants and the fiscal year 2004 Unemployment Insurance Administration automation grant during the fiscal year under review.

**Cause:** The Department's policies and procedures for recording Unemployment Insurance Administration expenses to the proper grants were inadequate.

**Effect:** Failure to develop adequate policies and procedures can result in noncompliance with applicable Federal laws, regulations, and other compliance requirements.

**Recommendation:** The Department of Labor should review their current internal controls in relation to the recording of expenses to the proper grants and implement additional internal controls as needed to ensure that Federal funds are recorded in accordance with period of availability requirements.

## **DEPARTMENT OF NATURAL RESOURCES**

Finding Control Number: **FA-462-08-01**

REPORTING

Failure to Submit Accurate Schedule of Expenditures of Federal Awards

**Condition:** Our examination of the Schedule of Expenditures of Federal Awards (Schedule) submitted by the Department of Natural Resources (Department) revealed the following exceptions:

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

1. Expenditures for Federal awards as initially reported on the Schedule were incorrect.
2. The Schedule did not include expenditure amounts paid to subrecipients outside the state reporting entity.

**Criteria:** The Department is required to submit a Schedule of Expenditures of Federal Awards which is supported by accounting records to the State Accounting Office for inclusion in the Single Audit Report of the State of Georgia.

**Cause:** The Department failed to implement adequate policies and procedures to ensure that expenditures for Federal awards and amounts paid to subrecipients reported on the Schedule are correct.

**Effect:** Failure to accurately report expenditures for Federal awards could result in material misstatements in the financial statements.

**Recommendation:** The Department of Natural Resources should implement policies and procedures to ensure that expenditures for Federal awards and amounts paid to subrecipients as reported on the Schedule of Expenditures of Federal Awards are accurate.

### Federal Agencies With Affected Programs

U. S. Department of Commerce – Various Grant Awards  
U. S. Department of Interior – Various Grant Awards  
U. S. Department of Transportation – Various Grant Awards

## DEPARTMENT OF REVENUE

Finding Control Number: **FA-474-08-01**  
**REPORTING**

Failure to submit accurate Schedule of Expenditures of Federal Awards

**Condition:** Our examination of the Schedule of Expenditures of Federal Awards (Schedule) submitted by the Department of Revenue (Department) revealed that expenditures for Federal Awards as initially reported on the Schedule were incorrect. Expenditures were not reported using GAAP actuals.

**Criteria:** The Department is required to submit a Schedule of Expenditures of Federal Awards which is supported by accounting records to the State Accounting Office for inclusion in the Single Audit Report of the State of Georgia.

**Cause:** The Department failed to implement adequate policies and procedures to ensure that expenditures for Federal awards reported on the Schedule are correct.

**Effect:** Failure to accurately report expenditures for Federal awards could result in material misstatements in the financial statements.

**Recommendation:** The Department of Revenue should implement policies and procedures to ensure that expenditures for Federal awards as reported on the Schedule of Expenditures of Federal Awards are accurate.

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### GEORGIA INSTITUTE OF TECHNOLOGY (\*)

Finding Control Number: **FA-503-08-01**

#### REPORTING

Failure to Timely Submit Financial Reports  
Research and Development

See Exhibit below for a listing of agency names, contract numbers and CFDA numbers associated with this finding.

**Condition:** Certain progress and special performance reports required by grant and contractual agreements entered into by the Organization with various federal agencies were not submitted on time. Of a total of 29 performance reports judgmentally selected for testing, seven were not submitted on time.

**Criteria:** In accordance with 32 CFR Section 32.51, the Organization is required to submit performance reports as required by the award terms and conditions. Such performance reports are required to be submitted within a specified timeframe as required by the applicable grant or contract agreement.

**Cause:** The cause of untimely reports, as stated to us, was unavailability of data at the report due date necessary for the completion of the required reports.

**Effect:** The submission of inaccurate or untimely reports could result in the possible delay of grant funding or affect other projects from the federal sponsor agency.

**Recommendation:** Efforts should continue to be made by the Organization to reemphasize policies and procedures to ensure required reports are submitted to the contracting agencies by the specified due dates.

	Agency	CFDA Number	Major Program	Pass-Through Grantor/Program Title	Award Year	Contract Number	Reference Number	Type of Report	Due Date	Date Submitted
1	USAF	2.800	R&D	Electronic Protection (EP) Initiatives Program D.O. 0002	2003	F33615-02-D-1125	A7156	Final Draft Report	7/31/2007	12/18/2007
2	DOE	81.049	R&D	Improving the Processes of Land-Atmosphere Interaction in CCSM 2.0 at High	2001	DE-FG02-01ER63198	R3243	Annual Progress Report	5/31/2008	6/09/2008
3	NRE	81.087	R&D	Full Field Birefringence Measurement of Grown-In Stresses in Thin Silicon	2002	AAT-2-31605-06	R3498	Quarterly Progress Report	11/15/2007	1/30/2008
4	DHHS	93.859	R&D	Cellular and Tissue Engineering Training Program	2002	2 T32 GM08433-11A1	R3837	Annual Report	12/01/2007	12/10/2007
5	EPA	66.509	R&D	Fate and Transformation of C60 Nanoparticles in Water Treatment Processes	2005	RD-83252601-0	R6551	Annual Report	11/30/2007	12/03/2007
6	NSF	47.041	R&D	Goal: Nano-Structuring of Silicon Surfaces: Low Cost Route to Manufacturing	2006	DMI-0630600	R7074	Annual Report	6/30/2008	7/10/2008
7	NIH	93.837	R&D	Shear Stress BMP and Aortic Valve Inflammation	2007	5-41465-G1	R8642	Annual Progress Report	2/28/2008	8/05/2008

Finding Control Number: **FA-503-08-02**

#### SUBRECIPIENT MONITORING

Inadequate Monitoring of Subrecipients  
Research and Development

See exhibit below for a listing of agency names, contract numbers and CFDA numbers associated with this finding.

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Condition:** The Organization has certain procedures in place to accumulate and review data for potential sub-recipients prior to granting the sub-award. However, current pre-award procedures do not require formal documentation of the Organization's risk assessment process for determining who will receive sub-awards. Once sub-awards have been granted, primary investigators perform some level of ongoing monitoring of contracts with for-profit sub-recipients; however, the Organization does not formally document its monitoring of for-profit subrecipients' activity during the contract.
- Criteria:** Pursuant to 32 CFR section 32.51 and OMB Circular A-133, subpart B section 21-(e), a pass-through is responsible for the following related to for-profit subrecipients:
- For-profit Subrecipients* – Evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable Federal regulations includes monitoring for-profit subrecipients. The pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The contract with the for-profit subrecipient should describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for awards made to for-profit subrecipients may include pre-award audits, monitoring during the contract and post-award audits.
- Cause:** The Organization does not have policies to formally document its assessment of risk with respect to potential sub-recipients and further for ongoing monitoring of for-profit subrecipients until satisfaction of contract or grant terms.
- Effect:** The Organization may be unable to ensure that primary investigators and others have performed adequate monitoring of subrecipients, to ensure compliance with contract provisions and Federal Grant Regulations.
- Recommendation:** The Organization should consider creating a checklist to document the formal risk assessment process used in selecting sub-recipients. Additionally, the Organization should include "for-profit" entities in its annual subrecipient certification process that certifies compliance with all applicable compliance requirements for the period under review (i.e. monthly, quarterly or annually). In addition, the Organization should develop processes to ensure its monitoring of subrecipients progress and compliance is documented.

	Agency	CFDA Number	Cluster/ Major Program	Pass-Through Grantor / Program Title	Award Year	Contract Number	Reference Number	Subrecipient
1	NSF	47.041	R&D	Advances in Wind Turbine Analysis and Design for Sustainable Energy	2007	CBET-0731034	R8416	Computational Science and Engineering, LLC
2	Air Force	12.800	R&D	TAT59 Marine Personnel Carrier Requirements Definition and M&S Analysis	2007	HC1047-05-D-4000-0059	D5587	Ricardo, Inc.
3	Air Force	12.800	R&D	Electronic Combat XIII	2007	FA8523-04-D-0006-0015	D5528	Terna North America
4	Air Force	12.800	R&D	Big Safari	2007	FA8620-07-C-3043	D5441	KBK Consulting, Inc.
5	Army	12.431	R&D	Defense Research, Engineering, Science and Technology	2005	W9113M-05-C-0194	A7836	Radiance Technologies, Inc.
6	Army	12.431	R&D	Software Engineering Management and Software Architecture Support for Prod.	2005	W31P4Q-05-C-R077-0295A	A7654	James Caudle

## FORT VALLEY STATE UNIVERSITY

Finding Control Number: **FA-533-08-01**

### ELIGIBILITY

Overpayment of Student Financial Aid

U. S. Department of Education

Student Financial Aid Cluster Program

- Condition:** The University's Student Financial Aid Office improperly determined the financial need and cost of attendance of eligible students.

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- Criteria: Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs and 34 CFR 674, 675, 676, 682, 690, and 691 provide eligibility and other related program requirements that are specific to the Federal Perkins Loan Program, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Family Educational Loan Program (FFEL), Federal Pell Grant Program, and the Federal ACG/SMART Programs, respectively.
- Questioned Cost: Questioned Costs of \$12,679.95 were identified for students who received student financial aid in excess of their eligible need, which when projected over the entire population, resulted in a projected misstatement of \$599,476.67.
- Information: A sample of fifty financial aid files was selected to determine if financial aid was properly calculated and disbursed to eligible students. The items sampled contained financial aid disbursements of \$298,383.39 out of a population of \$19,019,120.82. The University failed to consistently apply reasonable cost of attendance budgets to determine a student's need and failed to document the criteria used for determining these costs in the budget. The following deficiencies were noted:
1. Fifteen students had incorrect Costs of Attendance (COA) calculations due to manual calculation errors, incorrect 12 month budgets, and unreasonable COA components. Two instances of overawarding were found due to incorrect COA calculations:
    - (a) One student's SMART Grant was overawarded by \$318.95.
    - (b) One student's FFEL Subsidized Loan was overawarded by \$375.
  2. One student's COA budget was for an in-state resident due to his father living in Fort Valley and working for the University, but the student's Federal Student Aid Report on which his need for Federal Student Aid was based indicated he lived with his mother in Florida and included only his mother's income. This conflicting information should have been resolved by the University's Student Financial Aid Office.
  3. Testing of housing and band stipends given to students in the financial aid audit revealed that thirteen stipends were not included in the calculation of need.
  4. Two students were not in compliance with the University's published satisfactory academic progress policies. Federal regulations (34 CFR 668.32 and 668.34) state that a student must maintain satisfactory academic progress to be eligible to receive financial assistance under the Title IV programs. The two students failed to meet the quantitative requirements of satisfactory academic progress which resulted in SFA over disbursements of \$4,627 and \$6,055.
  5. Four students received FFEL Unsubsidized Student Loans before the Subsidized need-based loan limit was reached.
  6. Four students received all F's during a semester but there was no evidence that the University reviewed the enrollment status of these students to determine if they should be considered "unofficial withdraws" in accordance with University policies and procedures. If "unofficial withdraw" status was determined for these students, a refund on the Title IV grant would have resulted.
  7. One student's Pell Grant was incorrectly based on  $\frac{1}{4}$  time enrollment when the student was enrolled full-time.
  8. Several problems were found with Academic Competitiveness Grant (ACG) awards:
    - (a) Three students were qualified to receive ACG but were not awarded the grant at all during the academic year.
    - (b) One student was eligible for both fall and spring semesters, but only received the ACG for the fall semester.

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

- (c) One student was eligible for the entire \$650 per semester, but only received \$260 per semester.
- (d) One student received \$375 in ACG funds for the fall semester, but was not eligible due to GPA requirements.

9. Two students were not in compliance with the annual and aggregate loan limit provisions for loans under the FFEL Program. One student received \$150 over the annual loan limit and one student received \$779 over the aggregate loan limit.

**Cause:** The University's Student Financial Aid Office had not performed a risk assessment of its procedures to identify areas subject to nonconformity with eligibility requirements, and thus controls were not in place to assure that SFA funds were properly awarded to students based on using a correct Cost of Attendance in determining their financial need.

**Effect:** The University was not in compliance with Federal regulations concerning the awarding of SFA funds to students. For seven students, a total of \$12,679.95 was disbursed in excess of their eligibility. For six students, \$3,275 in eligible aid was not disbursed.

**Recommendation:** The University should perform a risk assessment of its processes and procedures for determining each student's financial aid eligibility. Where vulnerable, the University should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with financial need requirements. Additionally, the University should develop and implement a monitoring process to ensure that controls are properly implemented. The University should contact the U. S. Department of Education regarding the resolution of this finding.

**Finding Control Number:** FA-533-08-02

### REPORTING

Reports Not Reconciled

U. S. Department of Education

Student Financial Aid Cluster Program

**Condition:** Amounts reported on the Fiscal Operations and Application to Participate (FISAP) report submitted by the University to the U. S. Department of Education were not properly reconciled.

**Criteria:** Federal regulations (34 CFR 674.19, 675.19, 690.81 and 690.83) require the University to ensure that reported information is accurate and reconciled as necessary.

**Information:** The FISAP report included amounts reported for Tuition and Fees for Undergraduates, State Grant and Scholarships Made to Undergraduates, Information on Eligible Aid Applicants Enrolled in the University, the Pell Grant Program, the Federal Work-Study Program, the Federal Supplemental Educational Opportunity Grant Program and the Perkins Loan Program that did not reconcile to the accounting records.

**Cause:** The deficiencies identified were a result of management's failure to adequately reconcile information submitted on the FISAP with activity recorded in the accounting records.

**Effect:** Information submitted to the U. S. Department of Education was not accurate and was not supported by the accounting records.

**Recommendation:** The University should implement adequate controls to ensure that all reports submitted to the U. S. Department of Education are accurately completed and supported by the accounting records.



# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Finding Control Number: **FA-533-08-03**

### SPECIAL TESTS AND PROVISIONS

Deficiencies in Student Financial Aid Refund Process

U. S. Department of Education

Student Financial Aid Cluster Program

**Condition:** The Student Financial Aid Office failed to properly perform the refund process and to ensure that unearned Title IV funds were returned in a timely manner.

**Criteria:** Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs.

**Questioned Cost:** \$20,209.06

**Information:** Eighteen students that received Federal financial aid and officially withdrew from the University were selected to determine if refunds were calculated and returned in the correct amount to the proper funding agency and/or student. Our examination revealed the following deficiencies:

1. For one student, unearned Title IV funds were not applied by the University to the appropriate student financial aid programs within 30 days as required by the Higher Education Amendments of 1998, Public Law 105-244.
2. The University failed to properly calculate withdrawal refunds for seventeen students who received SFA funds. None of the Title IV funds, totaling \$20,209.06 were returned.

**Cause:** These deficiencies were the result of management's failure to properly process student financial aid refunds in accordance with Federal regulations.

**Effect:** The SFA Office refunded SFA funds to students incorrectly and unearned funds were not returned in a timely manner.

**Recommendation:** The University should develop and implement procedures to ensure that student financial aid refunds are properly calculated and that unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments 1998, Public Law 105-244. The University should also contact the U. S. Department of Education regarding resolution of this finding.

Finding Control Number: **FA-533-08-04**

### SPECIAL TESTS AND PROVISIONS

Inadequate Control Procedures over Unofficial Withdrawals

U. S. Department of Education

Student Financial Aid Cluster Program

**Condition:** The University did not have adequate internal control procedures in place to identify students who unofficially withdraw during an academic semester.

**Criteria:** Provisions included 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs.

**Information:** The University failed to perform refund calculations for students who unofficially withdrew in accordance with the University's grading policy. Based on the grading policy, a student with all Withdrawn Failing (WF) or Incomplete (IC) grades denotes an unofficial withdrawal. For the year under review, the Bursar's office did not calculate a refund for students with all WF and/or IC grades.

**Cause:** These conditions occurred because the University did not follow its established procedures for unofficial withdrawals.

# State of Georgia

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## **Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008**

**Effect:** The University did not properly calculated a refund for students who unofficially withdrew. Unearned Title IV funds are not being returned as required.

**Recommendation:** The University should establish appropriate controls to ensure that the procedures in place are utilized and properly applied to determine whether a SFA recipient who began attendance during a semester completed the academic period or unofficially withdrew. The University should also contact the U. S. Department of Education regarding the resolution of this finding.

**Finding Control Number: FA-533-08-05**

### **SPECIAL TESTS AND PROVISIONS**

#### **Inadequate Control Procedures**

**U. S. Department of Education**

**Student Financial Aid Cluster Program**

**Condition:** The internal control procedures over the timesheet system for the Federal Work-Study Program (FWS) were inadequate.

**Criteria:** Provisions included in 34 CFR 675 provide reporting requirements specific to the Federal Work-Study Program.

**Information:** Procedures were not in place to ensure that time sheets were always approved and/or approved only after the last date indicated as worked on the time sheet. Federal regulations (34 CFR 675.19b) state that "the Institution shall also establish and maintain program and fiscal records that include a certification that each student has worked and earned the amount being paid. The student's supervisor, an official of the Institution or off-campus agency shall sign the certification".

**Cause:** The deficiencies were a result of management's failure to implement and monitor the proper procedures to ensure that timesheets were properly approved after work was performed.

**Effect:** Without adequate control procedures in place, the University could place itself in a position where FWS wages are paid to students who have not earned the funds.

**Recommendation:** The University should establish appropriate procedures and controls to ensure that timesheets are reviewed and approved after FWS wages are earned to ensure compliance with Federal regulations. Additionally, the University should develop and implement a monitoring process to ensure that controls are adhered to.

**Finding Control Number: FA-533-08-06**

### **SPECIAL TESTS AND PROVISIONS**

#### **Deficiencies Over the Verification Process**

**U. S. Department of Education**

**Student Financial Aid Cluster Program**

**Condition:** The Student Financial Aid Office failed to meet student verification and documentation requirements.

**Criteria:** Provisions included in 34 CFR 668 provide the compliance requirements for the verification process that the University should follow for students who receive financial aid and identifies what documentation is acceptable.

**Information:** Our testing of 24 students who were selected for verification revealed the following deficiencies:

1. Six students' tax returns were not signed by either the filer or tax preparer.
2. Two students' tax returns did not agree to their most recent Institutional Student Information Report (ISIR).

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

Cause: The Student Financial Aid Office did not adequately follow the Federal requirements for verification.

Effect: Without properly verifying the information in the selected student files, the University places itself in a position to award students incorrectly.

Recommendation: The Student Financial Aid Office must ensure that verification and documentation requirements are met.

### SAVANNAH STATE UNIVERSITY

Finding Control Number: **FA-548-08-01**

#### SPECIAL TESTS AND PROVISIONS

Deficiencies in Student Financial Aid Refund Process  
Student Financial Aid Cluster Program

Condition: The Student Financial Aid office failed to properly perform the refund process and to ensure that unearned Title IV funds were returned in a timely manner. This deficiency was previously reported in findings FA-548-07-05 and FA-548-06-05 from fiscal years ended June 30, 2007 and June 30, 2006, respectively.

Criteria: Provisions included in 34 CFR 668 provide general requirements for administering Student Financial Aid (SFA) programs. Provisions included in 34 CFR 685 and 34 CFR 690 provide eligibility and other related program requirements that are specific to William D. Ford Direct Student Loan Program and Federal Pell Program, respectively.

Information: Fifteen students that received Federal financial aid and officially withdrew from the University were randomly selected to determine if refunds were calculated and returned in the correct amount to the proper funding agency and/or student. Our examination revealed the following deficiencies:

1. For two students, unearned Title IV funds were not applied by the University to the appropriate student financial aid programs within 30 days as required by the Higher Education Amendments of 1998, Public Law 105-244.
2. In one instance, the University applied the second disbursement of SFA funds to a student's account in error after receiving notification of the student's official withdrawal. The University failed to "drop" the student from classes in the student information system (BANNER) before the refund was disbursed. The student received funds in excess of amount earned, resulting in an accounts receivable of \$634.06 that is due to the University. The \$634.06 was returned to the grantor agency.

Cause: These deficiencies were the result of management's failure to properly process student financial aid refunds in accordance with Federal regulations.

Effect: The SFA Office refunded SFA funds to a student incorrectly and unearned funds were not returned in a timely manner.

Recommendation: The University should develop and implement procedures to ensure that student financial aid refunds are properly calculated and unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments of 1998, Public Law 105-244. The University should contact the U.S. Department of Education regarding resolution of this finding.

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### MACON STATE COLLEGE

Finding Control Number: **FA-581-08-01**

#### ELIGIBILITY

Overpayment of Student Financial Aid

U.S. Department of Education

Student Financial Aid Cluster Program

**Condition:** The Student Financial Aid (SFA) Office of the College improperly determined the financial need and eligibility status of two students.

**Criteria:** Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs and 34 CFR 674, 675, 676, 682, 690, and 691 provide eligibility and other related program requirements that are specific to the Federal Perkins Loan Program, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Family Educational Loan Program (FFEL), Federal Pell Grant Program, and the Federal ACG/SMART Programs, respectively.

**Questioned Cost:** A Questioned Cost of \$4,363 was identified for a student who received student financial aid but had not attained Satisfactory Academic Progress. The projection of this Questioned Cost over the entire population was \$414,899.69 for students who received student financial aid.

**Information:** A sample of fifty financial aid files was selected to determine if financial aid was properly calculated and disbursed to eligible students. The items sampled contained financial aid disbursements of \$226,314.22 out of a population of \$21,521,361.28. The College failed to consistently apply eligibility benchmarks to determine one student's eligibility and improperly determined one student's financial need to determine the correct financial aid for that student. The following deficiencies were resulted:

1. One student was awarded \$4,363 in aid for the Fall 2007 semester but had not attained Satisfactory Academic Progress after the Summer 2007 term, according to the College's written policy. This aid should not have been awarded without an approved appeal for the fall semester.
2. One student was awarded a \$4,500 subsidized need-based FFEL Stafford loan and did not have any need according to his Federal need analysis calculation. An unsubsidized loan should have been awarded instead.

**Cause:** Eligibility for student financial aid was not properly determined for two students found in the financial aid sample; it is believed these were due to an oversight on the SFA Office.

**Effect:** SFA Office was not in compliance with Federal regulations concerning the awarding of SFA funds to students. For the student ineligible to receive aid at all, the total dollar value of the known misstatement was \$4,363. The projected amount of this misstatement to the population is \$414,899.69, which was not material to this major program.

**Recommendation:** The College should initiate further control procedures to ensure that proper eligibility determinations are made for student financial aid awards. The College should also properly follow their written Satisfactory Academic Progress policy. Additionally, the College should develop and implement a monitoring process to ensure that controls are properly implemented.

# State of Georgia

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## Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### GEORGIA HIGHER EDUCATION ASSISTANCE CORPORATION (\*)

Finding Control Number: **FA-918-08-01**

#### REPORTING

Failure to establish adequate procedures to verify a student's loan status with the lender as well as establish adequate procedures to ensure that lenders report, and the Corporation properly records, loans paid in full  
Federal Family Education Loan Program (CFDA 84.032)

- Condition:** This is a repeat finding from the year ended June 30, 2007. For fiscal year end June 30, 2008, an exception was noted on the federal reinsurance rate confirmations sent to lenders.
- Criteria:** Guaranty agencies are required to submit data to the DOE that is correct and supported by the books and records for the calculation of loans in repayment status.
- Information:** One exception out of a sample of sixty was noted on the federal reinsurance rate confirmations sent to lenders.
- Cause:** The exception was noted to due timing differences or non-reporting of status changes by lenders to the Corporation.
- Effect:** Information prepared and presented in the monthly ED Form 2000 could be misclassified and thus create inaccurate calculations of loans paid in full.
- Recommendation:** The Corporation should establish procedures to verify a student's loan status with the current loan holder as well as establish adequate procedures to ensure that the current loan holder reports and that the Corporation properly records loans paid in full.

Finding Control Number: **FA-918-08-02**

#### REPORTING

Failure to maintain current records  
Federal Family Education Loan Program (CFDA 84.032)

- Condition:** This is a repeat finding from the year ended June 30, 2007. For fiscal year end June 30, 2008, two accounts out of a sample of 60 were noted to not have a complete set of records updated in accordance with the CFR.
- Criteria:** Guaranty agencies are required to maintain current, complete records for each loan that it holds. The records must be maintained in a system that allows ready identification of each loan's current status, updated at least once every 10 business days (34 Code of Federal Regulations (CFR) section 682.414(a)).
- Information:** Loan status updates were not applied to two loans in a timely manner.
- Cause:** The loan status was not properly updated and changed to reflect the correct status within the Corporation's system.
- Effect:** The Corporation failed to maintain current records for two loans out of a sample of 60 tested.
- Recommendation:** The Corporation should maintain current and complete records for all loans that it holds.

# State of Georgia

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## **Federal Awards Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FA-918-08-03**

### **REPORTING**

Failure to charge appropriate costs for default collection activities to borrowers on defaulted loans.

Federal Family Education Loan Program (CFDA 84.032)

- Condition:** The Corporation charged inappropriate costs to borrowers.
- Criteria:** Guaranty agencies are required to charge defaulted borrowers reasonable costs incurred by the agency for its default collection activities. The rate is based on the amount that would be charged if the loan was held by the U. S. Department of Education.
- Information:** The Corporation failed to update its system for the collection charges rate change effective March 1, 2007.
- Cause:** Due to management oversight, a rate change was not applied to the Corporation's system
- Effect:** Inappropriate costs were charged to borrowers on defaulted loans.
- Recommendation:** The Corporation should implement procedures to ensure that all regulatory rate changes are applied to its system.

## **STATE ROAD AND TOLLWAY AUTHORITY (\*)**

Finding Control Number: **FA-927-08-01**

### **ACCOUNTING CONTROLS (OVERALL)**

Segregation of Duties Related to the General Ledger Software

CFDA Number – 20.205

Highway Planning and Construction Program

U.S. Department of Transportation, Passed Through the State of Georgia's Department of Transportation

Grant Award Numbers – SPR00-0008-00(241); SPR00-0008-00(242); and, SPR00-0008-00 (243)

Agency / Pass Through Grantor Numbers – PI 0008241; PI 0008242; and, PI 0008243

Effective Date September 25, 2006 through September 30, 2007

- Condition:** Appropriate segregation of duties do not exist due to all employees in the accounting department having the same level of access to all functions of the general ledger software.
- Criteria:** Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.
- Context:** We addressed this matter with Authority officials who determined access was not limited in any manner for accounting department employees.
- Effect:** Failure to properly segregate duties may allow for errors or irregularities to occur and not be detected in a timely manner by employees in the normal course of performing their assigned functions.
- Recommendation:** We recommend the Authority segregate duties related to the general ledger software for employee's individual duties.

**(\*) THIS FINDING WAS A RESULT OF AN AUDIT PERFORMED BY OTHER AUDITORS.**

## Auditee's Section

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## **Expenditures of Federal Awards**

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## **Schedule of Expenditures of Federal Awards**

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# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>African Development Foundation</b>				
Other Federal Assistance	01.XXX			
Direct			\$ 167,519	
Through:				
Jets		71307	31,329	
Total Other Federal Assistance			\$ 198,848	
<b>AGENCY TOTAL</b>			<b>\$ 198,848</b>	
<b>Inter - American Foundation</b>				
Other Federal Assistance	04.XXX			
Direct			\$ 27,361	
<b>AGENCY TOTAL</b>			<b>\$ 27,361</b>	
<b>Peace Corps</b>				
Other Federal Assistance	08.XXX			
Direct			\$ 10,009 (R)	
<b>AGENCY TOTAL</b>			<b>\$ 10,009</b>	
<b>Legal Services Corporation</b>				
Other Federal Assistance	09.XXX			
Direct			\$ 194,779 (R)	
<b>AGENCY TOTAL</b>			<b>\$ 194,779</b>	
<b>Agriculture, U.S. Department of</b>				
Agricultural Research - Basic and Applied Research	10.001			
Direct			\$ 1,736,342 (R)	
Through:				
Compact Membrane Systems		2007-33610-18002	24,410 (R)	
University of Florida		20220	450 (R)	
Total Agricultural Research - Basic and Applied Research			\$ 1,761,202	
Plant and Animal Disease, Pest Control, and Animal Care	10.025			
Direct			\$ 1,590,029 (R)	
Through:				
Clemson University		20208	6,465 (R)	
Total Plant and Animal Disease, Pest Control, and Animal Care			\$ 1,596,494	
Wildlife Services	10.028			
Direct			\$ 735,407 (R)	
Conservation Reserve Program	10.069			
Direct			\$ 145,081	
Bioenergy Program	10.078			
Direct			\$ 462 (R)	
Market News	10.153			
Direct			\$ 4,187	
Federal-State Marketing Improvement Program	10.156			
Direct			\$ 189 (R)	
Market Protection and Promotion	10.163			
Direct			\$ 41,574	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Agriculture, U.S. Department of</b>				
Specialty Crop Block Grant Program				
Direct	10.169		\$ 210,000	
Grants for Agricultural Research, Special Research Grants	10.200			
Direct			\$ 3,723,140 (R)	
Through:				
Auburn University		63-6000724	3,181 (R)	
Auburn University		20288	85,008 (R)	
Clemson University		20208	11,555 (R)	
Cornell University		67101	40,401 (R)	
Florida State University		20278	196,723 (R)	
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	225,053 (R)	
Georgia State University Research Foundation		581845423	28,741 (R)	
Mississippi State University		20262	21,523 (R)	
Idaho State University		20351	3,980 (R)	
University of Florida		20220	48,002 (R)	
Total Grants for Agricultural Research, Special Research Grants			\$ 4,387,307	
Cooperative Forestry Research	10.202			
Direct			\$ 848,957 (R)	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203			
Direct			\$ 7,660,133 (R)	
Grants for Agricultural Research Grants - Competitive Research Grants	10.206			
Direct			\$ 2,853,302 (R)	
Through:				
Georgia State University Research Foundation		581845423	52,138 (R)	
Iowa State University		20291	124,619 (R)	
Joseph W. Jones Ecological Research Center		58-1824778	17,964 (R)	
Michigan State University		2006-35215-16703	14,704 (R)	
North Carolina State University		20211	182,802 (R)	
University of California		20423	190,715 (R)	
University of Maryland		2005-35605-15388	21,621 (R)	
University of Maryland		20223	124,264 (R)	
University of Wisconsin		20232	38,807 (R)	
Total Grants for Agricultural Research Grants - Competitive Research Grants			\$ 3,620,936	
Animal Health and Disease Research	10.207			
Direct			\$ 116,121 (R)	
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210			
Direct			\$ 76,213 (R)	
Small Business Innovation Research	10.212			
Through:				
Great Eastern Mussel Farms		68569	\$ 20,712 (R)	
Sustainable Agriculture Research and Education	10.215			
Direct			\$ 277,411 (R)	
1890 Institution Capacity Building Grants	10.216			
Direct			\$ 3,181,542 (R)	
Higher Education Challenge Grants	10.217			
Direct			\$ 108,071 (R)	
Through:				
Oklahoma State University		20248	18,605 (R)	
University of Wisconsin		20232	33,940 (R)	
Total Higher Education Challenge Grants			\$ 160,616	
Biotechnology Risk Assessment Research	10.219			
Direct			\$ 37,113 (R)	
Through:				
University of Tennessee		20271	10,779 (R)	
Total Biotechnology Risk Assessment Research			\$ 47,892	
Higher Education Multicultural Scholars Program	10.220			
Direct			\$ 46,703 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Agriculture, U.S. Department of</b>				
Fund for Rural America - Research, Education, and Extension Activities	10.224			
Through:				
Delaware State University		20444	\$ 1,030 (R)	
Secondary and Two-Year Postsecondary Agriculture Education	10.226			
Challenge Grants				
Through:				
Georgia State University Research and Service Foundation, Inc.		63828383	\$ 12,990 (R)	
Agricultural and Rural Economic Research	10.250			
Direct			\$ 38,485 (R)	
Initiative for Future Agriculture and Food Systems	10.302			
Direct			\$ 3,327 (R)	
Through:				
Baylor College of Medicine		29245	-387 (R)	
Total Initiative for Future Agriculture and Food Systems			\$ 2,940	
Integrated Programs	10.303			
Direct			\$ 1,447,405 (R)	
Through:				
Clemson University		20208	-35 (R)	
North Carolina State University		20211	18,584 (R)	
Texas Cooperative Extension		20406	31,168 (R)	
Oklahoma State University		73-6017987	18,429 (R)	
University of California		29252	2,884 (R)	
University of Minnesota		416007513	3,417 (R)	
University of Minnesota		20225	1,313 (R)	
University of Nebraska-Lincoln		20263	3,946 (R)	
Total Integrated Programs			\$ 1,527,111	
Homeland Security - Agricultural	10.304			
Direct			\$ 303,987 (R)	
Through:				
University of Florida		20220	23,489 (R)	
Total Homeland Security - Agricultural			\$ 327,476	
International Science and Education Grants	10.305			
Direct			\$ 29,584 (R)	
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	10.443			
Direct			\$ 100	
Rural Community Development Initiative	10.446			
Direct			\$ 33,753 (R)	
Crop Insurance	10.450			
Direct			\$ 221,008 (R)	
Through:				
Texas Tech University		20244	3,520 (R)	
Total Crop Insurance Programs			\$ 224,528	
Community Outreach and Assistance Partnership Program	10.455			
Direct			\$ 7,476 (R)	
Commodity Partnerships for Risk Management Education	10.457			
Direct			\$ 1,086 (R)	
Cooperative Agreements with States for Intrastate Meat and Poultry	10.475			
Inspection				
Direct			\$ 6,983,835	
Meat, Poultry, and Egg Products Inspection	10.477			
Direct			\$ 2,498 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Agriculture, U.S. Department of</b>				
Cooperative Extension Service	10.500			
Direct			\$ 14,401,036 (R)	
Through:				
Auburn University		20288	941 (R)	
Kansas State University		20255	105,213 (R)	
Louisiana State University		20252	1,940 (R)	
North Carolina State University		20211	98,861 (R)	
Texas Cooperative Extension		20406	42,880 (R)	
University of Florida		20220	1,443 (R)	
University of Illinois		20221	6,317 (R)	
University of Tennessee		20271	4,766 (R)	
Total Cooperative Extension Service			\$ 14,663,397	
Food Donation	10.550			
Direct				\$ 49,701,671 (4)
Food Stamps (FSC)	10.551			
Direct				\$ 1,220,285,738 (4)
School Breakfast Program (CNC)	10.553			
Direct			\$ 117,712,496	
National School Lunch Program (CNC)	10.555			
Direct			\$ 438,665,454	
Special Milk Program for Children (CNC)	10.556			
Direct			\$ 21,243	
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557			
Direct			\$ 222,716,156	
Through:				
Abbott Nutrition , Abbot Laboratories Inc.		364184946	77,752,513 (2)	
Total Special Supplemental Nutrition Program for Women, Infants, and Children			\$ 300,468,669	
Child and Adult Care Food Program	10.558			
Direct			\$ 4,170,720	
Summer Food Service Program for Children (CNC)	10.559			
Direct			\$ 46,340	
State Administrative Expenses for Child Nutrition	10.560			
Direct			\$ 5,914,484	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		63828383	9,509	
Total State Administrative Expenses for Child Nutrition			\$ 5,923,993	
State Administrative Matching Grants for Food Stamp Program (FSC)	10.561			
Direct			\$ 66,758,443	
Commodity Supplemental Food Program	10.565			
Direct				\$ 100,163
Emergency Food Assistance Program (Administrative Costs) (EFAC)	10.568			
Direct			\$ 1,634,745	
WIC Farmers' Market Nutrition Program (FMNP)	10.572			
Direct			\$ 1,098,269	
Team Nutrition Grants	10.574			
Direct			\$ 32,246	
Through:				
Georgia State University Research Foundation		581845423	49,143 (R)	
Total Team Nutrition Grants			\$ 81,389	
Senior Farmers Market Nutrition Program	10.576			
Direct			\$ 53,640	
Food Stamp Program , Outreach Grants	10.580			
Direct			\$ 261,662	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Agriculture, U.S. Department of</b>				
Food for Progress Direct	10.606		\$ 3,194 (R)	
Forestry Research Direct	10.652		\$ 910,482 (R)	
Through: University of Kentucky		69324	75,995 (R)	
Total Forestry Research			\$ 986,477	
Cooperative Forestry Assistance Direct	10.664		\$ 5,009,058 (R)	
National Forest-Dependent Rural Communities Direct	10.670		\$ 45,922 (R)	
Rural Development, Forestry, and Communities Direct	10.672		\$ 49,356 (R)	
Urban and Community Forestry Program Direct	10.675		\$ 99,911 (R)	
Through: Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	1,695	
Total Urban and Community Forestry Program			\$ 101,606	
Forest Legacy Program Direct	10.676		\$ 2,515,957	
Forest Land Enhancement Program Direct	10.677		\$ 216,840	
Forest Health Protection Direct	10.680		\$ 112,356 (R)	
Technical Assistance and Training Grants Direct	10.761		\$ 60,359 (R)	
Solid Waste Management Grants Direct	10.762		\$ 13,531 (R)	
Rural Business Enterprise Grants Direct	10.769		\$ 234,000	
Rural Business Opportunity Grants Direct	10.773		\$ 15,792 (R)	
Rural Telephone Bank Loans Direct	10.852		\$ 24,093 (R)	
Distance Learning and Telemedicine Loans and Grants Direct	10.855		\$ 71,354 (R)	
1890 Land Grant Institutions Rural Entrepreneurial Outreach Program Direct	10.856		\$ 62,695	
Public Television Station Digital Transition Grant Program Direct	10.861		\$ 247,355	
Soil and Water Conservation Direct	10.902		\$ 3,277,863 (R)	
Soil Survey Direct	10.903		\$ 5,915 (R)	
Snow Survey and Water Supply Forecasting Direct	10.907		\$ -387 (R)	
Environmental Quality Incentives Program Direct	10.912		\$ 86,202 (R)	
Through: Golden Triangle RCD Council		68836	38,653 (R)	
Total Environmental Quality Incentives Program			\$ 124,855	



# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Agriculture, U.S. Department of</b>				
Agricultural Statistics Reports Direct	10.950		\$ 38,850	
Technical Agricultural Assistance Direct	10.960		\$ 379,625 (R)	
Scientific Cooperation and Research Direct	10.961		\$ 9,443 (R)	
International Training Foreign Participant Direct	10.962		\$ 24,400 (R)	
Other Federal Assistance Direct	10.XXX		\$ 1,261,723 (R)	
Through:				
Michigan State University		20210	166,968 (R)	
Southern Forest Research Partnership		68786	60,826 (R)	
University of Florida		20220	-2 (R)	
Vidalia Onion Committee		68333	6,970 (R)	
Total Other Federal Assistance			\$ 1,496,485	
<b>AGENCY TOTAL</b>			<b>\$ 1,000,819,485</b>	<b>\$ 1,270,087,572</b>
<b>Commerce, U.S. Department of</b>				
ITA Special Projects Through:	11.113			
National Textile Center		02-07400	\$ 820,700 (R)	
Economic Development-Support for Planning Organizations Direct	11.302		\$ 40,311	
Economic Development - Technical Assistance Direct	11.303		\$ 165,699 (R)	
Trade Adjustment Assistance Direct	11.313		\$ 1,166,025	
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System) Direct	11.400		\$ 6,926 (R)	
Through:				
Hydrologic Research Center		NA07OAR4310457	21,363 (R)	
Hydrologic Research Center		NA16GP2711	13,024 (R)	
University of Mississippi		20273	85,630 (R)	
Total Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)			\$ 126,943	
Inter Jurisdictional Fisheries Act of 1986 Direct	11.407		\$ 101,825	
Sea Grant Support Direct	11.417		\$ 1,952,737 (R)	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		63828383	5,254 (R)	
Maryland Eastern Shore		NA17AE626	268,925 (R)	
North Carolina State University		20211	5,824 (R)	
South Carolina Sea Grant Consortium		05ERAG0063	34,045 (R)	
University of North Carolina Wilmington		195	1,510 (R)	
University of Puerto Rico		R92108	1,504 (R)	
Total Sea Grant Support			\$ 2,269,799	
Coastal Zone Management Administration Awards Direct	11.419		\$ 3,451,631	
Coastal Zone Management Estuarine Research Reserves Direct	11.420		\$ 572,308 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Commerce, U.S. Department of</b>				
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427			
Through:				
Clark Atlanta University		162173	\$ 14,041 (R)	
Undersea Research	11.430			
Through:				
University of Mississippi		20273	\$ 247,732 (R)	
Climate and Atmospheric Research	11.431			
Direct			\$ 1,012,433 (R)	
Through:				
Tufts University		20417	6,251 (R)	
University Corp. for Atmosphere Research		NA17GP1376	71,610 (R)	
Total Climate and Atmospheric Research			\$ 1,090,294	
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	11.432			
Through:				
Tufts University		20417	\$ 25,559 (R)	
University of Miami		68841	38,248 (R)	
Total Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes			\$ 63,807	
Cooperative Fishery Statistics	11.434			
Direct			\$ 169,760	
Pacific Fisheries Data Program	11.437			
Through:				
Georgia State University Research Foundation		581845423	\$ 1,057 (R)	
Marine Mammal Data Program	11.439			
Direct			\$ 14,104	
Unallied Industry Projects	11.452			
Direct			\$ 5,208 (R)	
Cooperative Science and Education Program	11.455			
Through:				
University of New Hampshire		26000937	\$ 3,399	
Special Oceanic and Atmospheric Projects	11.460			
Direct			\$ 246,780 (R)	
Through:				
Texas A&M University Corpus Christi		20435	39,998 (R)	
Total Special Oceanic and Atmosphere Projects			\$ 286,778	
Unallied Science Program	11.472			
Direct			\$ 396,970	
Coastal Services Center	11.473			
Through:				
University of Maryland		240247248249	\$ 192,860 (R)	
Atlantic Coastal Fisheries Cooperative Management Act	11.474			
Direct			\$ 645,462	
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	11.478			
Through:				
Georgia State University Research Foundation		581845423	\$ 55,895 (R)	
Educational Partnership Program	11.481			
Direct			\$ 116,152	
Public Telecommunications Facilities Planning and Construction	11.550			
Direct			\$ 1,464,279	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Commerce, U.S. Department of</b>				
National Standard Reference Data System	11.603			
Direct			\$ 125,808 (R)	
Through:				
SRI International		SB134103Z0014	24,764 (R)	
SRI International		P18013	24,416 (R)	
Total National Standard Reference Data System			\$ 174,988	
Measurement and Engineering Research and Standards	11.609			
Direct			\$ 205,613 (R)	
National Center for Standards and Certification Information	11.610			
Through:				
Michelin Corporation		70NANB7H7051	\$ 20,940 (R)	
Manufacturing Extension Partnership	11.611			
Direct			\$ 2,348,845	
Advanced Technology Program	11.612			
Direct			\$ 126,793 (R)	
Through:				
Deep Springs Technology		70NANB7H7024	98,579 (R)	
Total Advanced Technology Program			\$ 225,373	
Minority Business Enterprise Centers	11.800			
Direct			\$ 225,592	
Other Federal Assistance	11.XXX			
Direct			\$ 15,407 (R)	
<b>AGENCY TOTAL</b>			<b>\$ 16,699,797</b>	
<b>Defense, U.S. Department of</b>				
Aquatic Plant Control	12.100			
Direct			\$ 457,349 (R)	
Through:				
Alien Science And Technology		DAAB07-03-D-C213-00	47,776 (R)	
Ascend Intel LLC		W1597T-07-C-P219	247,558 (R)	
AT&T		07-0869522	51,148 (R)	
BAE Systems		HM1572-07-C-0002	100,525 (R)	
Boeing Aerospace Company		F33615-00-D-3052	53,964 (R)	
EG&G Management Systems		F08635-00-C-0014	197,816 (R)	
General Dynamics C4 Systems Inc		MDA904-03-G-0012	26,503 (R)	
General Dynamics C4 Systems Inc		FIXED-POINT SIGNAL	16,950	
Geosyntec Consultants		W912HQ-07-C-0028	61,077 (R)	
Harris Corporation		A000034233	140,725 (R)	
Irvine Sensors Corporation		FA8650-04-C-7120	75,440 (R)	
ITT Systems & Sciences Corporation		F19628-02-C-0010	93,734 (R)	
Johns Hopkins Applied Physics Lab Laurel		N00178-05-D-4527-M8	3,028	
Kit Ware INC		HR0011-08-C-0047	22,989 (R)	
L3 Communications		DAAB07-02-D-P0001	45,680 (R)	
L3 Communications		N00178-04-D-4143	113,400 (R)	
Lockheed-Martin		HR0011-07-C-0070	19,826 (R)	
Lockheed-Martin		HR0011-08-C-0090	18,738 (R)	
Luna Innovations		W911QX-06-C-0076	58,520 (R)	
Madison Research Corporation		W31P4Q-050A00029	330,906 (R)	
North Carolina A&T State University		N0014-01-1-0987	179,402 (R)	
North Carolina A&T State University		N0014-01-1-0987	7,940	
Northrop Corporation		FA8650-06-C-7628	76,515 (R)	
Orbital Sciences Corporation		HR0011-08-C-0031	57,324 (R)	
Parker Hannifin Corporation		FA8650-08-C-2801	18,384 (R)	
Portage Environmental INC		FA8903-05-D-8730	19,503 (R)	
PPG Industries INC		W911NF-05-9-0001	390,936 (R)	
Pratt & Whitney Aircraft		F33615-03-D-2354	91,291 (R)	
Raytheon		4400272408	378,335 (R)	
Research and Engineering Development Inc		N00421-04-C-0011	228,479 (R)	
Riverside Research Inst		GST0407DB0104	79,243 (R)	
Rockwell Collins		N00019-06-C-0081	1,687 (R)	
SAIC		4400148755	80,798 (R)	
SAIC		N00140-06-C-0084	38,860 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Defense, U.S. Department of</b>				
Aquatic Plant Control <i>(continued)</i>	12.100			
Through:				
SAIC		NRO000-08-C-0164	\$ 7,990 (R)	
SAIC		W31P4Q-05-A-0031 TA	1,604 (R)	
SAIC		W31P4Q-05-A-0031, T	21,812 (R)	
Sarnoff Corporation, Princeton		NMA401-02-9-2001	2,564 (R)	
Scientific Systems Company		DAAD17-03-C-0108	28,963 (R)	
Sparta		HHM402-04-D-0010	28,468 (R)	
SRA International Inc		2007*1064112*000	23,606 (R)	
SRA International Inc		W15P7T-07-C-P603	93,603 (R)	
Syracuse Research Corporation		W15P7T-04-C-K216	141,032 (R)	
Techrizon		DAAB07-02D-P001	54,870 (R)	
Telcordia Technologies		DAAD19-01-2-0011	325,680 (R)	
Teledevices LLC		FA8540-04-C-0060	79,800 (R)	
Tennessee Valley Authority		61392	11,511 (R)	
Trandes Corporation		N6600100D5034	87,229 (R)	
University of Michigan		3199	198,484 (R)	
University of South Carolina		SEDIMENT AND WATER	212,251 (R)	
University of Arizona		FA9550-07-1-0071	24,775 (R)	
University of Pennsylvania		548359	64,373 (R)	
Verco Materials LLC		W911NF-06-20048	48,800 (R)	
Wright Brothers Institute		FA8650-06-3-9023	214,415 (R)	
Total Aquatic Plant Control			\$ 5,504,179	
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113			
Direct			\$ 468,912	
Basic and Applied Scientific Research	12.300			
Direct			\$ 23,834,828 (R)	
Through:				
3 Phoenix Inc		N00014-07-C-0190	59,044 (R)	
Aegis Technologies Group Inc		N61339-08-C-0012	2,058 (R)	
Alliant Techsystems Inc		N0019-06-G-0014	521,404 (R)	
Anteon Corporation		N00178-04-D-4012	35,368 (R)	
Arinc Corporation		N00178-04-D-4016	107,622 (R)	
Bac Systems		N00014-03-C-0413	11,935 (R)	
California Institute of Tech		N00014-03-I-0793	396,149 (R)	
California Institute of Tech		N00014-03-I-0793	4,843 (R)	
CFD Research Corporation		N00014-070-C-0099	54,067 (R)	
Create Inc		N68335-07-C-0219	23,715 (R)	
DRS Sustainment Systems Inc		SWB-13262-003	36,563 (R)	
Georgia State University Research Foundation		581845423	83,177 (R)	
Impact Technologies LLC		N00014-08-C-0220	3,538 (R)	
Impact Technologies LLC		N00014-06-M-0192	8,500 (R)	
I robot Corporation		N00014-07-M-0435	34,830 (R)	
ITT Systems & Sciences Corporation		SPO700-98-D-4000	52,352 (R)	
KBM		N00014-07-M-0322	23,088 (R)	
Lockheed-Martin		N00421-05-D-0054	28,347 (R)	
Lockheed-Martin		98-K250100-000	52,657 (R)	
Luna Innovations		N00024-07-C-4121	16,127 (R)	
Medical College of Georgia Research Foundation		96-666-8691	58,323 (R)	
Mustang Technology Group LP		N00014-07-C-0068	461,191 (R)	
Navmar Applied Sciences Company		N58335-07-C-0324	53,204 (R)	
North Carolina A&T State University		N00014-01-10987	41,839 (R)	
Numerical		N65538-07-M-0116	8,000 (R)	
Og Technologies		DE-FC36-04G014003	79,517 (R)	
Pennsylvania State University		N00014-04-I-0683	44,222 (R)	
Quest Tek Innovations LLC		N00014-05-C-0241	108,971 (R)	
Radio-Hydro-Physics		STTR N05-T011	137,011 (R)	
SAIC		N00178-04-D-4119	58 (R)	
Spectra Research		N68335-06-C-0020	12,282 (R)	
Tetra Tech Nus Inc		N68711-05-C-0054	60,229 (R)	
Tkc Integration Services LLC		200-2006-15956	27,172 (R)	
Tkc Integration Services LLC		200-2006-15969	122,089 (R)	
Trandes Corporation		N6600100D5034	92,119 (R)	
Tybrin Corporation		H92241-06-D-0003	50,522 (R)	
University of California		N00014-07-I-0740	291,380 (R)	
University of Virginia		N00014-06-I-0492	70,982 (R)	
University of Virginia		N00173-06-I-G004	1,854 (R)	
University of Minnesota		N00014-04-I-0659	29,007 (R)	
University of North Carolina		273274	289,368 (R)	
University of North Carolina		20228	11,599 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Defense, U.S. Department of</b>				
Basic and Applied Scientific Research <i>(continued)</i>	12.300			
Through:				
University of Pennsylvania		N00014-04-1-0735	\$ 14,187 (R)	
University of Texas		N00014-05-1-0497	167,568 (R)	
Westland Technologies Inc		N00104-06-C-CA54, W	12,290 (R)	
Total Basic and Applied Scientific Research			\$ 27,635,196	
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351			
Through:				
University of New Mexico Albuquerque, NM		HDTRA1-08-1-0017	\$ 37,952 (R)	
Military Construction, National Guard	12.400			
Direct			\$ 126,907	
Through:				
Academy of Applied Science		67899	19,500 (R)	
CH2M Hill Inc		61495	48,035 (R)	
Total Military Construction, National Guard			\$ 194,442	
National Guard Military Operations and Maintenance (O&M) Projects	12.401			
Direct			\$ 23,760,820	
National Guard Civilian Youth Opportunities	12.404			
Direct			\$ 6,827,301	
Military Medical Research and Development	12.420			
Direct			\$ 626,800 (R)	
Through:				
Georgia State University Research Foundation		581845423	680,987 (R)	
Medical College of Georgia Research Institute		96-666-8691	170,417 (R)	
Southern Research Institute		68812	318,767 (R)	
Total Military Medical Research and Development			\$ 1,796,971	
Basic Scientific Research	12.431			
Direct			\$ 26,830,281 (R)	
Through:				
Advanced Materials Corporation		W911-NF-07-C-0097	64,140 (R)	
Bae Systems		W911NF-08-2-0004	91,334 (R)	
Bae Systems		DAAD19-01-2-0008	5,180 (R)	
Baldwin Technology Co LLC		W911W6-05-D-0004	123,506 (R)	
Battelle		DE-AC06-76RL0-1830	35,508 (R)	
Battelle		W911NF007-D-0001	71,062 (R)	
Booz, Allen And Hamilton Inc		W15P7T-06-D-A401	399,154 (R)	
Cas Inc		W91260-04-D-0001	255,017 (R)	
Center For Rotorcraft Innovation (Rita)		W911W6--06-2-0002-1	325,183 (R)	
Center For Rotorcraft Innovation (Rita)		T.O. EXEC 7/24/06	-362 (R)	
CFD Research Corporation		ARMY W81XWH-06-C-0	96,028 (R)	
Duke University		DAAD19-02-1-0252	199,733 (R)	
Dynetics Incorporated		HHM402-04-D-0007	19,287 (R)	
Georgia Nanofab		W15QKN-07-C-0062	267,147 (R)	
Georgia State University Research Foundation		581845423	19,002 (R)	
High Performance Technologies Inc		GS04T01BFC0061	6,220 (R)	
Honeywell Engines & Systems Div		DAAD19-01-2-0010	13,531 (R)	
Honeywell Inc		DDAD19-00-R00005	-7 (R)	
Impact Technologies LLC		W911NF-06-C-0018	56,368 (R)	
Intelligent Automation Incorporated		W909MY-08-C-0009	7,510 (R)	
Intelligent Automation Incorporated		W9132T-07-C-0001	12,265 (R)	
L3 Communications		DAAB07-02-D-P0001	47,352 (R)	
L3 Communications		W15P7T-07-C-P208	94,273 (R)	
Mobile Intelligence Corporation		W56HZV-06-C-0578	58,588 (R)	
Ngimat		W911NF-07-C-0071	30,000 (R)	
Northrop Corporation		W31P4Q-08-C-0262	29,192 (R)	
Numerical		W9113M-06-C-0156	20,903 (R)	
Opteos Inc		W9113-M-06-C0044	24,729 (R)	
Radiance Technologies		W9113M-06-C-0014	73,183 (R)	
Radiance Technologies		W9113M-06-C-0175	165,729 (R)	
Raytheon		W15P7T-05-C-P207	267,457 (R)	
Raytheon		DAAB07-03-C-J402	6,020 (R)	
Raytheon		W31P4Q-04-C-0020	206 (R)	
SAIC		W31P4Q-05-A-0031	2,370,760 (R)	
SAIC		W91CRB-04-D-0015	10,944 (R)	
Scientific Systems Company		W15P7T-04-C-006	5,097 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Defense, U.S. Department of</b>				
Basic Scientific Research (continued)	12.431			
Through:				
Semi south Laboratories Inc		W9113M-05-C-0204	\$ 18,327 (R)	
Sensor Tech Inc		W911NF-08-C-0059	11,918 (R)	
Sri International		DAAB07-02-D-P002	14,051 (R)	
Sri International		W911NF-06-1-0316	43,896 (R)	
Syracuse Research Corporation		W9124Q-05-P-0271	9,614 (R)	
Telcordia Technologies		DAAD19-01-C-0062	474,075 (R)	
TRS Technologies		W9113M-06-C-0200	42,414 (R)	
Tybrin Corporation		H92241-06-D-0003	637,633 (R)	
University of Central Florida		W911NF-06-1-0283	311,023 (R)	
University of Illinois		W911NF-06-1-0353	5,248 (R)	
University of Maryland		W911NF-07-1-0576	200,305 (R)	
University of California		20218	54,107 (R)	
Wang Electro-Opto Corporation		HQ0006-07-C-7796	27,862 (R)	
Westar Aerospace & Defense Group Inc		W31P4Q-05-A-0032	11,738 (R)	
Wyle Laboratories		W91C9G-07-D-0001	10,182 (R)	
Total Basic Scientific Research			\$ 33,973,913	
Basic, Applied, and Advanced Research in Science and Engineering	12.630			
Direct			\$ 2,319,792 (R)	
Through:				
Chenega Federal Systems LLC		GST040DB0305	25,314 (R)	
Ohio State University		F49620-03-1-0421	307,620 (R)	
Total Basic, Applied, and Advanced Research in Science and Engineering			\$ 2,652,726	
Air Force Defense Research Sciences Program	12.800			
Direct			\$ 54,555,242 (R)	
Through:				
Adaptive Technologies		FA8650-06-C-6623	22,587 (R)	
Advanced Virtual Engine Test Cell Inc		FA9550-06-1-0397	42,299 (R)	
Aerospace Testing Alliance		F40600-03-C-0001	93,848 (R)	
Aerotonomy Incorporated		W15 QKN-08-C-0051	18,692 (R)	
Agiltron Inc		W909MY-06-C-0056	47,948 (R)	
Airborne Technologies Inc		8876-033	151 (R)	
Alta Rum Institute		FA8750-05-C-0237	102,224 (R)	
Applied Research Associates		F08630-03-D-0079; T	61,950 (R)	
Applied Research Associates		FA8651-06-D-0070	30,000 (R)	
Bae Systems		FA-8720-04-D-0002 0	304,925 (R)	
Boeing Aerospace Company		F33615-00-D-3052	131,610 (R)	
Boeing Aerospace Company		NNC07CB76C	112,533 (R)	
Boeing		F33657-01-D-2000	102,018 (R)	
Boeing		F33657-01-C-0047	2,387,524 (R)	
Boeing		FA8633-05-D-2003	70,251 (R)	
Caci		W15P7T-06-D-A402	104,098 (R)	
Caci		GS-10F-0259L	17,262	
Cermet Inc		FA9550-05-C-0042	10,395 (R)	
Chickasaw National Industries		DE-AC01-05EH05025	-381	
Clarkson Aerospace		FA8650-05-D-1912	97,018 (R)	
Composite Technology Development		FA9550-06-C-0109	-1,782 (R)	
Composite Technology Development		FA9550-07-C-0115	33,984 (R)	
Cornell University		722812	197,625 (R)	
Dancila LLC		W9132V-07-C-005	11,141 (R)	
Dnovus		AF07-T032	60,079 (R)	
Eg & G Technical Services		N00164-03-D-0013	3,505 (R)	
Energy Research Consultants		FA8650-07-M-2784	15,802 (R)	
Engeniusmicro		FA9550-07-C-0160	30,300 (R)	
General Dynamics Information Technology Inc		GS09K99BHD0001	10,771 (R)	
General Dynamics Information Technology Inc		N61339-04-F-1001	114,322 (R)	
Georgia State University Research Foundation		581845423	232,419 (R)	
Global Strategic Solution		SBIR N06-T007	9,644 (R)	
Groen Brothers Aviation USA Inc		HR0011-06-9-0002	633,881 (R)	
Harris Corporation		LTR SUBK DTD 1/11/0	189,858 (R)	
Henry M. Jackson Foundation		69339	1,454 (R)	
High Performance Technologies Inc		GS04T01BFC0061	50,000 (R)	
HRL Laboratories		W31P4Q-08-C-0264	109,884 (R)	
Hypres		N00039-04-C-2134	15,247 (R)	
Imaging Systems Technology		FA8601-07-P-0472	4,434 (R)	
ITT Systems & Sciences Corporation		F9628-02-C-00010	43,854 (R)	
ITT Systems & Sciences Corporation		SPO700-98-D-4000	250,639 (R)	
JT3 LLC		F42650-01-C-7218	11,926	
JT3 LLC		F42650-01-C-7218	222,367 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
Air Force Defense Research Sciences Program (continued)	12.800			
Through:				
Kyma		FA8650-06-C-5413	\$ 54,944 (R)	
L3 Communications		FA8620-06-G-4002/00	205,215 (R)	
L3 Communications		USZA22-03-C-0056	46,434 (R)	
L3 Communications		F33657-01-G-5028-00	31,356 (R)	
L3 Communications		FA8523-06-C-0048/27	114 (R)	
Lavender Industries inc		FA8650-07-C-6766	130,797 (R)	
Lear Siegler		FA8630-06-D-6000	45,189 (R)	
Lincoln Laboratory		F19628-00-C-0002	131,224 (R)	
Lockheed-Martin		N00019-02-C-3002	6,734 (R)	
Lockheed-Martin		DAAB07-03-D-B009	33,437 (R)	
Lockheed-Martin		FA8650-06-C-7605	636,920 (R)	
Lockheed-Martin		N61339-00-D-0707	106,973 (R)	
Lockheed-Martin		FA8650-05-G-5503	2,825 (R)	
Lockheed-Martin		03-C-4096	5,163 (R)	
Luna Innovations		FA9550-06-C-0043	-1,243 (R)	
Magnolia Optical Technologies Inc		W31P4Q06C0262	80,996 (R)	
Manufacturing Technology Inc		F09603-01-D-0123-00	8,910 (R)	
Millennium Dynamics Corporation		AF4T16-148	-1,022 (R)	
Millennium Dynamics Corporation		FA9550-06-C-0005	42,899 (R)	
Modine Manufacturing Company		W909MY-05-C-0021	66,416 (R)	
Mustang Technology Group LP		FA8651-07-C-0107	73,867 (R)	
Nature Conservancy		68082	24,039 (R)	
Ngimat		FA9550-05-C-0156	17,904 (R)	
Ngimat		FA8650-08-M1385	4,721 (R)	
Ngimat		FA8501-07-C-0016	14,360 (R)	
Ngimat		N68335-08-C-0081	38,746 (R)	
Niitek Inc		W909MY-06-C-0033	126,094 (R)	
Northrop Corporation		DMEA90-99-D-0003/00	156,460 (R)	
Northrop Corporation		F3360002D2000	89,958 (R)	
Northrop Corporation		FA8650-06-C-7609	12,883 (R)	
Northrop Corporation		AF000-C-06-0100	-855 (R)	
Northrop Corporation		FA8720-04-D-0004 DO	1,063,312 (R)	
Northrop Corporation		FA8750-06-C-0049	17,951 (R)	
Portage Environmental Inc		FA8903-05-D-8730	-803 (R)	
Pratt & Whitney Aircraft		N00421-07-C-0002	11,452 (R)	
Pratt & Whitney Aircraft		FA8650-06-2-5211	25,087 (R)	
Radiance Technologies		FA8633-05-D-2002	12,500 (R)	
Radiance Technologies		4600006170	10,000 (R)	
Research And Engineering Development Inc		NOO421-04-C-0011	2,669 (R)	
Rolls-Royce Allison		FA8650-06-2-5203	38,227 (R)	
SAIC		F09603-01-D-208	1,099,674 (R)	
SAIC		MDA972-03-9-0001	8,190 (R)	
SAIC		W91CRB-04-D-0015	9,931 (R)	
SAIC		A117001	521,492 (R)	
SAIC		LTR K 4400156910	5,141 (R)	
SAIC		FA4890-04-D-0004/50	3,672 (R)	
SAIC		F33615-03-D-1401	166,843 (R)	
SAIC		FA7046-05-D-0010	655,073 (R)	
SAIC		F09603-01-D-0208	620,589 (R)	
Schafer Corporation		FA4953-05-D-0176	4,135 (R)	
Scientific Systems Company		FA860-05-C-1821	13,120 (R)	
Sensimetrix Corporation		FA9550-06-C-0037	110,617 (R)	
Set Corporation		FA8650-05-C-1822	20,900 (R)	
Sparta Inc		GST0406DE0007	44,280 (R)	
Spectra Research		FA865007M1138	25,000 (R)	
SSAI		F09603-01-D-0211	287,061 (R)	
Starfire Systems		W911NF-05-2-0041	197,051 (R)	
Summa Technologies		W31P4Q-06-C-0301	887 (R)	
Tele-Consultants Inc		N66604-04-D-2273	9,957 (R)	
Teledevices LLC		FA8540-06-C-0020	4,276 (R)	
Tufts University		W912HQ-06-C-0032	41,735 (R)	
Tybrin Corporation		FA8720-04-D-0004	922,676 (R)	
Tybrin Corporation		HC1013-04-A-5002	366,639 (R)	
Tybrin Corporation		FA8720-04-D-0004-00	72,244 (R)	
UCLA		F49620-02-01-0319	106,643 (R)	
University of California		FA9550-06-1-0218	32,085 (R)	
University of Dayton Res Institute		RSC 05017	139,242 (R)	
Universal Technology Corp.		FA8650-05-D-5807	71,541 (R)	
University of Arkansas		FA9550-05-1-0182	35,000 (R)	
Vanderbilt University		FA9550-05-1-0306	96,855 (R)	
Virtual Aerosurface Tech.		GT-FA9550-05-C-0135	51,787 (R)	
Westland Technologies Inc		N63394-05-P-0984	1 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Defense, U.S. Department of</b>				
Air Force Defense Research Sciences Program (continued)	12.800			
Through:				
Wright Brothers Institute		FA8652-03-3-0005	\$ 144,592 (R)	
Wyle Laboratories		FA8601-04-D-0005	44,902 (R)	
Total Air Force Defense Research Sciences Program			\$ 69,870,232	
Mathematical Sciences Grants Program	12.901			
Direct			\$ 99,749 (R)	
Through:				
Georgia State University Research Foundation		581845423	45,464 (R)	
Pratt & Whitney Aircraft		HR0011-04-C-0001	76,667 (R)	
Total Mathematical Sciences Grants Program			\$ 221,880	
Research and Technology Development	12.910			
Direct			\$ 22,926,765 (R)	
Through:				
ADA Technologies Inc		H92222-07-P-0032	165 (R)	
Agiltron Inc		W15P7T-07-R-B202	-163 (R)	
ATK Mission Research		N00164-02-D-6599	25,209 (R)	
BAE Systems		W15P7T-06-C-P635	880,277 (R)	
Bbn System And Technologies		P05-BBN-145	33,261 (R)	
Booz, Allen And Hamilton Inc		SP0700-03-D-1380	326,865 (R)	
Ddl Omni Engineering LLC		N00167-03-D-0031 /	-37,108	
Decisive Analytics Corporation		HQ0006-07-C-7791	30,911 (R)	
DuPont Central Research & Development		HR0011-07-9-0005	253,145 (R)	
Dynetics Incorporated		HHM402-04-D-0007	259,618 (R)	
Engeniusmicro		W31P4Q-07-C-0334	22,000 (R)	
Geosyntec Consultants		W912HQ-05-C-0040	113,031 (R)	
Harris Corporation		22928	-36 (R)	
Harvard University		FA8650-06-C-7622	26,402 (R)	
IBM Corporation		NBCHC050097	20 (R)	
Inst For Genomic Rsch-Tigr,The		68563	309,673 (R)	
Kyma		W9113M-07-C-0123	59,848 (R)	
Lgarde Incorporated		AGMT DTD 10/12/06	120,348 (R)	
Lgarde Incorporated		HQ-0005-06-C-7622	15,223 (R)	
MA Institute of Technology		HR0011-07-C-0005	7,228 (R)	
Morgan A Stanley Company		W9113M-05-A-0002	19,448	
Morgan Research Corp		W31P4Q-05-A-0030	10,000 (R)	
Northrop Corporation		N66001-08-C-2010	11,065 (R)	
Northrop Corporation		HR0011-04-C-0003	506,818 (R)	
Northrop Corporation		H0011-04-C-0095	-41,914 (R)	
Northrop Corporation		4042	-14 (R)	
Northrop Corporation		67991RGR8S	37,012 (R)	
Northrop Corporation		PO 8200107871	8,000 (R)	
PPG Industries Inc.		W911NF-05-9-0001	8,216 (R)	
Pratt & Whitney Aircraft		HR0011-04-C-0001	25 (R)	
Princeton University		HR0011-05-1-0057	62,724 (R)	
Raytheon		N00014-04-C-0437	197,135 (R)	
Raytheon		07-C-1608	291,527 (R)	
Rolls-Royce Allison		N00014-04-D-0068	2,503 (R)	
SAIC		HSCG32-05-D-R00010	17,893 (R)	
SAIC		A09061	747,256 (R)	
Sea Alaska Environmental Services LLC		N68711-04-D-1104	94,450 (R)	
Spectra Research		HQ000607C7794	37,613 (R)	
Spectra Research		W15P7T05CP001	-27 (R)	
SRA International Inc		2003*N614500*004	411 (R)	
SRI International		NBCHD030010	-6,359 (R)	
Teledyne Continental Motors		H9403-04-C-00060025	20,197 (R)	
Third Wave Systems		HQ0006-07-C-7795	1,685 (R)	
University of Illinois		FA9550-05-1-0459	228,378 (R)	
University of Illinois		HR0011-04-1-0034	268,792 (R)	
University of Illinois		HR0011-06-1-0046	126,785 (R)	
University of Michigan		W31P4Q-0-1-R001	298,314 (R)	
University of Delaware		W911NF-05-9-0005	16,149 (R)	
University of Utah		20326	22,746 (R)	
Vectraxx		HQ0006-07-C-7643	32,321 (R)	
Virtual Aerosurface Technologies		W9113M-07-C-0203	44,690 (R)	
Virtual Aerosurface Technologies		W9113M-07-C-0035	16,743 (R)	
Total Research and Technology Development			\$ 28,453,264	



# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Defense, U.S. Department of</b>				
Other Federal Assistance	12.XXX			
Direct			\$ 2,869,423 (R)	
Through:				
AT&T Corporation		61387	127,557 (R)	
Ch2M Hill Inc		61495	14,387 (R)	
Georgia State University Research Foundation		581845423	224,308 (R)	
Val Optics		94-3242717	22,570 (R)	
Total Other Federal Assistance			\$ 3,258,245	
<b>AGENCY TOTAL</b>			<b>\$ 204,656,033</b>	
<b>Housing and Urban Development, U.S. Department of</b>				
Housing Counseling Assistance Program	14.169			
Direct			\$ 217,874 (R)	
Manufactured Home Construction and Safety Standards	14.171			
Direct			\$ 204,275	
Community Development Block Grants / Small Cities Program (ESCC)	14.219			
Through:				
City of Warner Robins		20382	\$ 22,000	
Community Development Block Grants/Special Purpose Grants	14.225			
Insular Areas				
Direct			\$ 9,878 (R)	
Community Development Block Grants/State's Program	14.228			
Direct			\$ 44,025,872	
Emergency Shelter Grants Program	14.231			
Direct			\$ 1,948,927	
Supportive Housing Program	14.235			
Direct			\$ 530,877	
Through:				
LAMP		GA 01B301011	49,852	
Total Supportive Housing Program			\$ 580,729	
Shelter Plus Care	14.238			
Direct			\$ 5,186,731	
HOME Investment Partnerships Program	14.239			
Direct			\$ 28,271,128	
Housing Opportunities for Persons with AIDS	14.241			
Direct			\$ 1,498,697	
Empowerment Zones Program	14.244			
Direct			\$ 3,250,242	
Housing Counseling Training Program	14.316			
Direct			\$ 88,050	
Fair Housing Assistance Program - State and Local	14.401			
Direct			\$ 499,777	
Historically Black Colleges and Universities Program	14.520			
Direct			\$ 433,481	
Demolition and Revitalization of Severely Distressed Public Housing	14.866			
Through:				
Housing Authority of Columbus, Ga (HAGC)		405	\$ 60,214 (R)	
Section 8 Housing Choice Vouchers	14.871			
Direct			\$ 105,723,536	
Healthy Homes Technical Studies Grants	14.906			
Direct			\$ -387 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Housing and Urban Development, U.S. Department of</b>				
Other Federal Assistance	14.XXX			
Direct			\$ 293,285 (R)	
<b>AGENCY TOTAL</b>			<b>\$ 192,314,309</b>	
<b>Interior, U.S. Department of</b>				
Recreation Resource Management	15.225			
Direct			\$ 9,932 (R)	
Wild land Urban Interface Community and Rural Fire Assistance	15.228			
Direct			\$ 5,052	
Water Desalination Research and Development Program	15.506			
Direct			\$ 36,670 (R)	
Through:				
SRJ International		NBCHD030010	247,969 (R)	
Total Water Desalination Research and Development Program			\$ 284,639	
Sport Fish Restoration (FWC)	15.605			
Direct			\$ 7,387,216	
Fish and Wildlife Management Assistance	15.608			
Direct			\$ 1,532	
Through:				
Mississippi State University		20262	11,549 (R)	
National Audubon Society		67678	1,421 (R)	
Georgia Southern University Research and Service Foundation, Inc.		63828383	30,250	
Total Fish and Wildlife Management Assistance			\$ 44,752	
Wildlife Restoration (FWC)	15.611			
Direct			\$ 7,957,161	
Coastal Wetlands Planning, Protection and Restoration Act	15.614			
Direct			\$ 928,000	
Cooperative Endangered Species Conservation Fund	15.615			
Direct			\$ 2,700,153 (R)	
Through:				
Florida Fish and Wildlife Conservation Commission		20381	2,020 (R)	
Total Cooperative Endangered Species Conservation Fund			\$ 2,702,173	
Wildlife Conservation and Restoration	15.625			
Direct			\$ 3,986	
Multi-State Conservation Grants	15.628			
Direct			\$ 35,041 (R)	
Coastal Program	15.630			
Through:				
Fish and Wildlife Research Institution		175	\$ 43,728 (R)	
Conservation Grants Private Stewardship for Imperiled Species	15.632			
Direct			\$ 21,381 (R)	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	23 (R)	
Total Conservation Grants Private Stewardship For Imperiled Species			\$ 21,404	
Landowner Incentive	15.633			
Direct			\$ 225,503	
State Wildlife Grants	15.634			
Direct			\$ 1,508,752	
Through:				
South Carolina Department of Natural Resources		20329	31,308 (R)	
Total State Wildlife Grants			\$ 1,540,060	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Interior, U.S. Department of</b>				
Neotropical Migratory Bird Conservation	15.635			
Through:				
Fundacion Maquipucuna		79003	\$ 25,507 (R)	
Research Grants (Generic)	15.650			
Direct			\$ 3,040 (R)	
Assistance to State Water Resources Research Institutes	15.805			
Direct			\$ 107,836 (R)	
Earthquake Hazards Reduction Program	15.807			
Direct			\$ 13,945 (R)	
U.S. Geological Survey - Research and Data Acquisition	15.808			
Direct			\$ 1,101,360 (R)	
Through:				
America View, Incorporated		77-0602801	168,774 (R)	
Total U.S. Geological Survey - Research and Data Acquisition			\$ 1,270,134	
National Spatial Data Infrastructure Cooperative Agreements Program	15.809			
Direct			\$ 5,963 (R)	
National Cooperative Geologic Mapping Program	15.810			
Direct			\$ 68,850	
Cooperative Research Units Program	15.812			
Direct			\$ 439,384 (R)	
Historic Preservation Fund Grants-In-Aid	15.904			
Direct			\$ 861,740 (R)	
Technical Preservation Services	15.915			
Direct			\$ 6,978 (R)	
Outdoor Recreation - Acquisition, Development and Planning	15.916			
Direct			\$ 2,189,368 (R)	
Save America's Treasures	15.929			
Direct			\$ 11,547 (R)	
Other Federal Assistance	15.XXX			
Direct			\$ 179,698 (R)	
Through:				
Adenosine Therapeutics, LLC		61379	68,308 (R)	
National Fish & Wildlife Foundation		521384139	29,693 (R)	
Mississippi State University		20262	-87 (R)	
Total Other Federal Assistance			\$ 277,612	
<b>AGENCY TOTAL</b>			<b>\$ 26,470,551</b>	
<b>Justice, U.S. Department of</b>				
Prisoner Reentry Initiative Demonstration (Offender Reentry)	16.202			
Direct			\$ 139,202	
Juvenile Accountability Incentive Block Grants	16.523			
Direct			\$ 1,053,028	
Technical Assistance and Training Initiative	16.526			
Direct			\$ 35,105	
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540			
Direct			\$ 1,591,660	
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541			
Direct			\$ 33,241	
Missing Children's Assistance	16.543			
Direct			\$ 193,349	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Justice, U.S. Department of</b>				
Title V - Delinquency Prevention Program Direct	16.548		\$ 396,179	
State Justice Statistics Program for Statistical Analysis Centers Direct	16.550		\$ 32,661	
National Criminal History Improvement Program (NCHIP) Direct	16.554		\$ 149,651	
National Institute of Justice Research, Evaluation, and Development Project Grants Direct	16.560		\$ 1,292,754 (R)	
Through: Georgia State University Research Foundation		581845423	1,164,700 (R)	
Total National Institute of Justice Research, Evaluation, and Development Project Grants			\$ 2,457,454	
Crime Victim Assistance Direct	16.575		\$ 6,811,022	
Crime Victim Compensation Direct	16.576		\$ 3,833,464	
Edward Byrne Memorial Formula Grant Program Direct	16.579		\$ 6,358,402	
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program Direct	16.580		\$ 2,885,700 (R)	
Through: Georgia State University Research Foundation		581845423	1,965 (R)	
Total Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program			\$ 2,887,665	
Violent Offender Incarceration and Truth in Sentencing Incentive Grants Direct	16.586		\$ 5,292,185	
Violence Against Women Formula Grants Direct	16.588		\$ 1,326,392	
Residential Substance Abuse Treatment for State Prisoners Direct	16.593		\$ 206,204	
Community Capacity Development Office Through: City of Marietta	16.595	033-87-007372	\$ 4,001	
Corrections - Training and Staff Development Direct	16.601		\$ 24,999	
Through: Federal Correctional Institution		10-0007204	69,071	
Total Corrections - Training and Staff Development			\$ 94,070	
State Criminal Alien Assistance Program Direct	16.606		\$ 2,872,823	
Community Prosecution and Project Safe Neighborhoods Direct	16.609		\$ 124,467 (R)	
Through: Georgia State University Research Foundation		581845423	83,985	
Total Community Prosecution and Project Safe Neighborhoods			\$ 208,452	
Regional Information Sharing Systems Through: Criminal Information Sharing Alliance	16.610	97-LB-VX-K009	\$ 285,692 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Justice, U.S. Department of</b>				
Public Safety Partnership and Community Policing Grants	16.710			
Direct			\$ 33,777	
Through:				
Georgia State University Research Foundation		581845423	37,805 (R)	
Total Public Safety Partnership and Community Policing Grants			\$ 71,582	
Enforcing Underage Drinking Laws Program	16.727			
Direct			\$ 215,778	
Drug - Free Communities Support Program Grants	16.729			
Direct			\$ 231,139	
Special Data Collections and Statistical Studies	16.734			
Direct			\$ 7,242	
Edward Byrne Memorial Justice Assistant Grant Program	16.738			
Direct			\$ 1,357,390	
Through:				
Georgia State University Research Foundation		581845423	4,500	
Total Edward Byrne Memorial Justice Assistant Grant Program			\$ 1,361,890	
Forensic DNA Backlog Reduction Program	16.741			
Direct			\$ 364,641	
Forensic Casework DNA Backlog Reduction Program	16.743			
Direct			\$ 536,845	
Anti-Gang Initiative	16.744			
Direct			\$ 87,081	
Capital Case Litigation	16.746			
Direct			\$ 38,566 (R)	
Crime Victims' Rights Act	16.747			
Direct			\$ 85,876	
Convicted Offender and/or Arrestee DNA Backlog Reduction Program (In-House Analysis and Data Review)	16.748			
Direct			\$ 502,790	
Other Federal Assistance	16.XXX			
Direct			\$ 4,512,303 (R)	
Through:				
Georgia State University Research Foundation		581845423	49,883 (R)	
Medical College of Georgia Research Institute		96-666-8691	3,617	
Total Other Federal Assistance			\$ 4,565,803	
<b>AGENCY TOTAL</b>			<b>\$ 44,331,135</b>	
<b>Labor, U.S. Department of</b>				
Labor Force Statistics	17.002			
Direct			\$ 1,954,104	
Compensation and Working Conditions	17.005			
Direct			\$ 68,950	
Employment Service / Wagner - Peyser Funded Activities (ESC)	17.207			
Direct			\$ 22,338,401	
Unemployment Insurance	17.225			
Direct			\$ 821,256,238 (I)	
Senior Community Service Employment Program	17.235			
Direct			\$ 2,166,163	
Trade Adjustment Assistance	17.245			
Direct			\$ 24,787,729	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Labor, U.S. Department of</b>				
Employment and Training Assistance - Dislocated Workers Direct	17.246		\$ -18	
Job Training Partnership Act Direct	17.250		\$ -574	
Through:				
Middle Georgia Consortium, INC		35602	48,336	
Total Job Training Partnership Act			\$ 47,762	
WIA Adult Program (WIA) Direct	17.258		\$ 28,323,444	
Through:				
Atlanta Regional Commission		58-6002324	508,645	
City of Macon		586000612	186,739	
Coosa Valley Regional Development Center		01-03-45-CA2	122,411	
Coosa Valley Regional Development Authority		58-6015195	224,431	
East Central Georgia Workforce Investment		58 211 4208	44,525	
Job Training Unlimited, Incorporated		58-2181803	363,147	
Middle Flint Regional Development Center		58-1937286	161,851	
Middle Georgia Consortium, Incorporated		581391833	113,981	
Northeast Georgia Regional Dev. Center		580902860	130,215	
Richmond / Burke Job Training Authority		58 211 3801	180,457	
South Georgia Regional Development Center		580942510	223,399	
Total WIA Adult Program (WIA)			\$ 30,583,245	
WIA Youth Activities (WIA) Direct	17.259		\$ 18,871,479	
Through:				
Atlanta Regional Commission		58-6002324	11,741	
Coosa Valley Regional Development Center		586015195	166,374	
Job Training Unlimited, Inc.		58-2181803	483,641	
Northeast Georgia Regional Development Center		580902860	19,309	
South Georgia Regional Development Center		ID1	7,232	
Total WIA Youth Activities (WIA)			\$ 19,559,776	
WIA Dislocated Workers (WIA) Direct	17.260		\$ 40,459,711	
Through:				
Atlanta Regional Commission		58-6002324	89,669	
Coosa Valley Regional Development Center		58-6015195	209,236	
Job Training Unlimited, Incorporated		58-2181803	294,800	
Middle Flint Regional Development		58-1937286	150,197	
Northeast Georgia Regional Dev. Center		580902860	177,200	
Richmond / Burke Job Training Authority		58 211 3801	105,983	
South Georgia Regional Development Center		ID1	36,932	
Total WIA Dislocated Workers (WIA)			\$ 41,523,728	
WIA Pilots, Demonstrations, and Research Projects Direct	17.261		\$ 391,373	
Through:				
Georgia State University Research Foundation		581845423	9,234	
Total WIA Pilots, Demonstrations, and Research Projects			\$ 400,607	
Work Incentives Program Direct	17.266		\$ 1,538,885	
Through:				
Coosa Valley Regional Development Center		01-03-45-CA2	12,120	
Coosa Valley Regional Development Center		586015195	87,770	
Total Work Incentives Program			\$ 1,638,775	
Community Based Job Training Grants Direct	17.269		\$ 1,173,031	
Work Opportunity Tax Credit Program Direct	17.271		\$ 1,152,801	
Temporary Labor Certification for Foreign Workers Direct	17.273		\$ 431,276	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Labor, U.S. Department of</b>				
Occupational Safety and Health - Susan Harwood Training Grants Direct	17.502		\$ <u>185,966</u> (R)	
Consultation Agreements Direct	17.504		\$ <u>1,322,125</u> (R)	
Mine Health and Safety Grants Direct	17.600		\$ <u>242,320</u>	
Disability Employment Policy Development Through: Syracuse University	17.720	E-9-4-6-0107	\$ <u>7,873</u> (R)	
Disabled Veterans' Outreach Program (DVOP) (ESC) Direct	17.801		\$ <u>2,498,988</u>	
Veterans Employment Program Direct	17.802		\$ <u>139</u>	
Local Veterans' Employment Representative Program (ESC) Direct	17.804		\$ <u>2,285,247</u>	
Other Federal Assistance Through: Statewide ILC of Georgia, Inc.	17.XXX	68658	\$ <u>60,034</u> (R)	
<b>AGENCY TOTAL</b>			\$ <u>975,685,260</u>	
<b>State, U.S. Department of</b>				
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union Direct	19.300		\$ <u>3,531</u> (R)	
Educational Exchange - Graduate Students Direct	19.400		\$ <u>219,716</u> (R)	
Educational Exchange - Teachers from Secondary and Post Secondary Levels and School Administrators Direct Through: Georgia Southern University Research Services Foundation, Inc.	19.408	63828383	\$ <u>-10</u> (R) <u>89,579</u>	
Total Educational Exchange - Teachers from Secondary and Post Secondary Levels and School Administrators			\$ <u>89,569</u>	
Professional Exchanges - Annual Open Grant Direct	19.415		\$ <u>64,023</u> (R)	
International Education Training and Research Direct Through: NAFSA: Association of International Educators	19.430	AGMT DTD 10/19/06	\$ <u>16,242</u> (R) <u>3,935</u> (R)	
Total International Education Training and Research			\$ <u>20,177</u>	
Middle East Partnership Initiative (MEPI) Through: Association Liaison Office University Coop. Development	19.500	68694	\$ <u>51,146</u> (R)	
Other Federal Assistance Direct Through: Ford Foundation Georgia State University Research Foundation	19.XXX	69040 581845423	\$ <u>23,035</u> (R) <u>1,212</u> (R) <u>177,510</u> (R)	
Total Other Federal Assistance			\$ <u>201,757</u>	
<b>AGENCY TOTAL</b>			\$ <u>649,919</u>	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Transportation, U.S. Department of</b>				
Airport Improvement Program	20.106			
Direct			\$ 9,341,558	
Through:				
Acura Engineering & Consulting		IPRF-FAA-01-G-002-0	768 (R)	
Total Airport Improvement Program			\$ 9,342,326	
Aviation Research Grants	20.108			
Through:				
Innovative Solutions Intl Inc		DTFAWA-05-A-00005	\$ 69,342 (R)	
Massachusetts Institute of Technology		DTFAWA-05-D-0012	-1,398 (R)	
Massachusetts Institute of Technology		03-C-NE-01	-2,648 (R)	
University of Illinois		05-C-AT-UIUC	8,942 (R)	
Total Aviation Research Grants			\$ 74,238	
Air Transportation Centers of Excellence	20.109			
Direct			\$ 1,694,676 (R)	
Through:				
MA inst of Technology		DTFA01-01-C-00030	46,819 (R)	
Pacific Northwest National Lab		DOT6400-099	10,431 (R)	
Total Air Transportation Centers of Excellence			\$ 1,751,926	
Highway Research and Development Program	20.200			
Direct			\$ 337,612 (R)	
Through:				
Bench Mark International Inc		RIBA CONTRACT #07-1	4,336 (R)	
Professional Services Industries		DTFH61-04-C-00029	37,971 (R)	
Southern Polytechnic State University		SPR00-0008-00(632)	42,770 (R)	
The National Academies		DOT-6505-099	214,423 (R)	
Total Highway Research and Development Program			\$ 637,112	
Highway Planning and Construction (HPCC)	20.205			
Direct			\$ 2,299,714,217	
Through:				
Atlanta Regional Commission		58-6002324	21,137	
Atlanta Regional Commission		2341339	28,351	
Georgia State University Research Foundation		581845423	59,180 (R)	
Total Highway Planning and Construction (HPCC)			\$ 2,299,822,885	
National Motor Carrier Safety	20.218			
Direct			\$ 10,455,653	
Recreational Trails Program	20.219			
Direct			\$ 488,359	
Through:				
Arcadis		61463	22,205 (R)	
Total Recreational Trails Program			\$ 510,564	
Safety Data Improvement Program	20.237			
Direct			\$ 597,685	
High Speed Ground Transportation Next Generation	20.312			
High Speed Rail Program				
Direct			\$ 1,283,179	
Federal Transit - Capital Investment Grants (FTC)	20.500			
Direct			\$ 4,213,423	
Federal Transit - Metropolitan Planning Grants	20.505			
Direct			\$ 3,192,932	
Federal Transit - Formula Grants (FTC)	20.507			
Direct			\$ 9,598,546	
Formula Grants for Other Than Urbanized Areas	20.509			
Direct			\$ 14,465,250	



# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Transportation, U.S. Department of</b>				
Capital Assistance Program for Elderly Persons and Persons with Disabilities Direct	20.513		\$ <u>2,396,026</u>	
Transit Planning and Research Direct	20.514		\$ <u>55,977</u> (R)	
State and Community Highway Safety (HSC) Direct Through:	20.600		\$ <u>8,069,701</u> (R)	
Georgia State University Research Foundation		581845423	<u>2,194</u> (R)	
Georgia State University Research Foundation		581845423	<u>-122</u>	
Total State and Community Highway Safety (HSC)			\$ <u>8,071,773</u>	
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (HSC) Direct Through:	20.601		\$ <u>3,449,164</u>	
GSU Research Services Foundation, Inc.		63828383	<u>4,277</u>	
Total Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (HSC)			\$ <u>3,453,441</u>	
Occupant Protection (HSC) Direct	20.602		\$ <u>1,515,720</u>	
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons (HSC) Direct	20.605		\$ <u>163,461</u>	
Safety Belt Performance Grants (HSC) Direct	20.609		\$ <u>439,171</u>	
Incentive Grant Program to Increase Motorcyclist Safety (HSC) Direct	20.612		\$ <u>131,616</u>	
Pipeline Safety Direct	20.700		\$ <u>1,198,120</u>	
University Transportation Centers Program Direct	20.701		\$ <u>327,782</u> (R)	
Interagency Hazardous Materials Public Sector Training and Planning Grants Direct	20.703		\$ <u>172,378</u>	
University Transportation Centers Through:	20.760			
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	\$ <u>5,335</u>	
Georgia State University Research Foundation		581845423	<u>22,140</u> (R)	
Total University Transportation Centers			\$ <u>27,475</u>	
Other Federal Assistance Direct Through:	20.XXX		\$ <u>229,965</u>	
Georgia State University Research Foundation		581845423	<u>40,747</u> (R)	
GSU Research Services Foundation		63828383	<u>407</u> (R)	
Total Other Federal Assistance			\$ <u>271,119</u>	
<b>AGENCY TOTAL</b>			\$ <u>2,374,169,778</u>	
<b>Treasury, U.S. Department of the</b>				
Low - Income Taxpayer Clinics Direct	21.008		\$ <u>25,000</u>	
<b>AGENCY TOTAL</b>			\$ <u>25,000</u>	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Appalachian Regional Commission</b>				
Appalachian Area Development Direct	23.002		\$ 172,910	
Appalachian Research, Technical Assistance, and Demonstration Projects Direct	23.011		\$ 338,895	\$ 1,509,248 (3)
Through:				
East Tennessee State University		62-6021046	4,218	
Southeast Energy Efficiency Alliance		CO-15811-07	36,215 (R)	
Total Appalachian Research, Technical Assistance, and Demonstration Projects			\$ 379,328	\$ 1,509,248
<b>AGENCY TOTAL</b>			\$ 552,238	\$ 1,509,248
<b>Equal Employment Opportunity Commission</b>				
Employment Discrimination - Title VII of the Civil Rights Act of 1964 Direct	30.001		\$ 69,787	
<b>AGENCY TOTAL</b>			\$ 69,787	
<b>General Services Administration</b>				
Donation of Federal Surplus Personal Property Direct	39.003			\$ 19,561,633
Federal Citizen Information Center Direct	39.009		\$ 2,130,099 (R)	
Other Federal Assistance Direct	39.XXX		\$ 704,987	
Through:				
Georgia State University Research Foundation		581845423	10,582 (R)	
Georgia State University Research Foundation		581845423	8,057	
Total Other Federal Assistance			\$ 723,626	
<b>AGENCY TOTAL</b>			\$ 2,853,725	\$ 19,561,633
<b>Library of Congress</b>				
Semiconductor Chip Protection Service Direct	42.008		\$ 8,053 (R)	
Through:				
Emory University		LCNDII0011A04EU	29,438 (R)	
Semiconductor Chip Protection Service			\$ 37,491	
<b>AGENCY TOTAL</b>			\$ 37,491	
<b>National Aeronautics and Space Administration</b>				
Aerospace Education Services Program Direct	43.001		\$ 320,881 (R)	
Through:				
California Institute of Technology		NNG04GD53G	44,672 (R)	
California Polytechnic State University		NNL07AA55C	187,870 (R)	
Columbia University		225	33,496 (R)	
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	17,029 (R)	
Georgia State University Research Foundation		581845423	59,182 (R)	
Jet Propulsion Laboratory		67725	5,259 (R)	
Radiation Monitoring Devices		NNJ07A11C	46,679 (R)	
Smithsonian Institution		NNG04GE15G	65,924 (R)	
Southwest Research Institute		699054X/15.12029	190,363 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>National Aeronautics and Space Administration</b>				
Aerospace Education Services Program (continued)	43.001			
Through:				
University of Alabama-Huntsville		NNM05AA22A	\$ 42,706 (R)	
University of Florida		NCC3-994	176,849 (R)	
University of Maryland		NCC 3989	185,165 (R)	
University Space Research Association		03491-57	75,000 (R)	
University Space Research Association		NNL07AB92T	2,166	
University Space Research Association		NCC8-259	42,931 (R)	
University Space Research Association		NNM08AA00A	25,070 (R)	
University Space Research Association		NNJ07JE23D	182,974	
University of California		NNG04GE16G	16,425 (R)	
University of Wisconsin		20232	30,548 (R)	
Total Aerospace Education Services Program			\$ 1,751,189	
Technology Transfer	43.002			
Direct			\$ 15,514,280 (R)	
Through:				
Aero Institute		NCA4-2	16,999 (R)	
Aerotomy Incorporated		FA9550-06-C-0140	102,043 (R)	
Aerotomy Incorporated		W911W6-08-C-0026	15,000 (R)	
Aerotomy Incorporated		NNX07CA44P	30,934 (R)	
Clark Atlanta University		NCC31044	31,816 (R)	
IBM Corporation		NAS3-03070 -PROJ DI	4,392 (R)	
Jet Propulsion Lab		NMO710440	212,421 (R)	
Jet Propulsion Lab		NMO0710819	8,123 (R)	
Jet Propulsion Lab		NAS7-03001	12,578	
Jet Propulsion Lab		NM0710851	13,265 (R)	
Jet Propulsion Lab		NMO710820	31,261 (R)	
MA Inst of Technology		NNX07AE89G	165,978 (R)	
Michigan Aerospace Corporation		OIL-0611243	26,000 (R)	
National Institute of Aerospace		4845-GT	44,513 (R)	
National Institute of Aerospace		4853-GT	32,767 (R)	
National Institute of Aerospace		4854-GT	33,634 (R)	
National Institute of Aerospace		6101-GT	119,192 (R)	
National Institute of Aerospace		6123-GT	60,691 (R)	
National Institute of Aerospace		NAS1-02117	430,389 (R)	
National Institute of Aerospace		NCC-1-02043	640,647 (R)	
National Institute of Aerospace		NAS1-02117	26,957	
Newcyte Inc		FA9550-06-C-0092	-2,288 (R)	
Northeastern University		NNX08AE37A	63,431 (R)	
Pennsylvania State University		NNX07AU75A	9,537 (R)	
Pennsylvania State University		CCF-040349	66,897 (R)	
San Jose University		Planetary Probe WS	2,500 (R)	
Sciberquest Inc		NNG06CA14C	55,035 (R)	
Science Systems & Applications		61511	41,362 (R)	
University of Central Florida		UCF-FY-04	12,521 (R)	
University of Idaho		CK DTD 12/18/07	2,737 (R)	
Total Technology Transfer			\$ 17,825,612	
Other Federal Assistance	43.XXX			
Direct			\$ 1,438,419 (R)	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	29,344	
Georgia State University Research Foundation		581845423	551,515 (R)	
Medical College of Georgia Research Institute		96-666-8691	49,373 (R)	
UNCF Special Programs / NASA		NNG05GM10A	87,459	
University of Alabama		63-0520830	22,016 (R)	
University of Southern Mississippi		20274	95,022 (R)	
Woods Hole Research Center		68394	30,564 (R)	
Total Other Federal Assistance			\$ 2,303,712	
<b>AGENCY TOTAL</b>			<b>\$ 21,880,513</b>	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>National Foundation on the Arts and the Humanities</b>				
Promotion of the Arts - Grants to Organizations and Individuals	45.024			
Direct			\$ 249,314 (R)	
Through:				
Arts Midwest		41-1000424	19,365	
Georgia State University Research Foundation		581845423	108,204 (R)	
Total Promotion of the Arts - Grants to Organizations and Individuals			\$ 376,883	
Promotion of the Arts - Partnership Agreements	45.025			
Direct			\$ 573,387	
Through:				
Southern Arts Federation		56-1129587	5,125	
Total Promotion of the Arts - Partnership Agreements			\$ 578,512	
Promotion of the Humanities - Federal / State Partnership	45.129			
Through:				
Georgia Humanities Council		GHC2007052	\$ 2,000	
Georgia Humanities Council		2007048G	3,000	
Georgia Humanities Council		51-0180861	2,588	
Total Promotion of the Humanities - Federal / State Partnership			\$ 7,588	
Promotion of the Humanities - Challenge Grants	45.130			
Through:				
Macon State College Foundation		237066010	\$ 6,695	
Promotion of the Humanities - Division of Preservation and Access	45.149			
Direct			\$ 12,000	
Promotion of the Humanities - Professional Development	45.163			
Direct			\$ 96,185	
Through:				
Georgia State University Research Foundation		581845423	191,113 (R)	
Total Promotion of the Humanities - Professional Development			\$ 287,298	
Promotion of the Humanities - Public Programs	45.164			
Direct			\$ 30,423	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		63828383	224	
Total Promotion of the Humanities - Public Programs			\$ 30,647	
Museum for America	45.301			
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	\$ 7,639	
Museum Assessment Program	45.302			
Direct			\$ 1,026 (R)	
Grants to States	45.310			
Direct			\$ 4,358,908	
National Leadership Grants	45.312			
Direct			\$ 250,604 (R)	
Other Federal Assistance	45.XXX			
Direct			\$ 36,070 (R)	
<b>AGENCY TOTAL</b>			<b>\$ 5,953,870</b>	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>National Science Foundation</b>				
Engineering Grants	47.041			
Direct			\$ 15,796,630 (R)	
Through:				
Bellwether Instruments		NSF 02-056 PHASE II	105,912 (R)	
Clemson University		EEC-9731680	60,000 (R)	
Cornell University		9876771	30,035 (R)	
Cornell University		649215	14,341 (R)	
Cornell University		335765	2,054,959 (R)	
Cornell University		ACI-0325536	119,004 (R)	
Duke University		N01AA23013	44,805 (R)	
Florida International University		IIS-0308155	-1,062 (R)	
Florida State University		ECS-0210332	63,291 (R)	
Georgetown University		CNS-0634302	13,774 (R)	
Georgia State University Research Foundation		581845423	89,066 (R)	
Imaging Systems Technology		IIP-0740104	2,803 (R)	
Mechanical Integrity		NSF PROPOSAL 074066	17,987 (R)	
Mohawk Innovative Technology		IIP-0637573	15,778 (R)	
Morehouse College		AGR DTD 3/13/07	30,537 (R)	
Nees Consortium Inc		CMMI-0402490	40,534 (R)	
North Carolina State University		AGR DTD 8/14/07	26,621 (R)	
Novana Inc		IIP-0712305	110,650 (R)	
Ohio University		CMS-0533290	15,643 (R)	
Prospect Photonics		IIP-0740826	16,395 (R)	
Texas Engineering Station-Tamu		CMMI-0709283	11,396 (R)	
UCLA		CMMI-0802658	3,637 (R)	
University of Alabama		CTS-0608896	187,491 (R)	
University of California		CBET-0709090	24,687 (R)	
University of Florida		BES-0404000	71,331 (R)	
University of Illinois		003-01053-01 A7886	58,991 (R)	
University of Minnesota		T5186730002	122,358 (R)	
University of Minnesota		EEC-0540834	663,867 (R)	
University of Missouri		ECS-0400657	728 (R)	
Total Engineering Grants			\$ 19,812,189	
Mathematical and Physical Sciences	47.049			
Direct			\$ 8,945,878 (R)	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	157,506 (R)	
Georgia State University Research Foundation		581845423	986,530 (R)	
Stanford University		CHE-0410427	63,815 (R)	
University of California		PHY06-12811	46,012 (R)	
University of Michigan		DMR 0454533	8,862 (R)	
University of Minnesota		DMR-0709584	16,982 (R)	
University of Minnesota		DMR-0212302	106,845 (R)	
University of Nebraska		2505170051402	7,500 (R)	
University of New Mexico		AST-0421087	43,863 (R)	
University of North Carolina		CHE-9876674	152,918 (R)	
University of Washington		DMR-0120967	1,230,971 (R)	
Wayne University		20279	2,320 (R)	
Total Mathematical and Physical Sciences			\$ 11,770,002	
Geosciences	47.050			
Direct			\$ 7,062,991 (R)	
Through:				
Carnegie Mellon Institute/Pittsburgh, PA		CMS-0619078	45,859 (R)	
Clark University		20006	931 (R)	
Consortium of University for Research in Earthquake		CMMI-0721399	13 (R)	
Drexel University		ATM-0627227	69,162 (R)	
Georgia State University Research Foundation		581845423	31,878 (R)	
Joint Oceanographic Institutions		OCE-0431095	3,966 (R)	
Joint Oceanographic Institutions		68809	1,595 (R)	
Pennsylvania State University		EAR-OG32516	6,396 (R)	
SC Sea Grant Consortium		68764	18,444 (R)	
University of California, San Diego		OCE0417616	7,670 (R)	
University of Delaware		OCE-0308398	149,413 (R)	
University of Southern California		EAR-0529922	36,460 (R)	
Total Geosciences			\$ 7,434,778	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>National Science Foundation</b>				
Computer and Information Science and Engineering	47.070			
Direct			\$ 10,258,669 (R)	
Through:				
Clark Atlanta University		58-1825259-A1	10,583 (R)	
Computing Research Association		637190	1,989 (R)	
Georgia State University Research Foundation		581845423	475,192 (R)	
North Carolina A&T State University		CNS-0540577	111,325 (R)	
North Carolina State University		CCR-0325269	5,750 (R)	
Purdue University		CNS-0540342	-644 (R)	
Rutgers University		CNS 0435370	82,886 (R)	
University of California		SCI-0427144	10,420 (R)	
University of North Carolina		CNS 0540523	39,532 (R)	
University of California		IIS-0205644	-24,530 (R)	
University of Colorado		CNS 0413538	103,795 (R)	
University of Maryland		CCF0325119	122,563 (R)	
Total Computer and Information Science and Engineering			\$ 11,197,530	
<b>Biological Sciences</b>				
Biological Sciences	47.074			
Direct			\$ 10,808,987 (R)	
Through:				
ADA Technologies, Inc.		68544	20,142 (R)	
Arizona State University		EEC-0080012	131,742 (R)	
Arizona State University		20272	8,758 (R)	
Colorado State University		20246	36,354 (R)	
Cornell University		67101	6,537 (R)	
Drexel University		68846	11,364 (R)	
Emory University		CHE-0404677	190,811 (R)	
Emory University		EB002009	86,532 (R)	
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	282,823 (R)	
Georgia State University Research Foundation		581845423	1,272,871 (R)	
Harvard University		CCR-0205423	-13,335 (R)	
Health Research, Inc		68813	57,237 (R)	
Iowa State University		20291	283,275 (R)	
Indiana University		20235	269,908 (R)	
J. Craig Venture Institute		154	12,810 (R)	
Medical College of Georgia Research Institute		96-666-8691	149,242 (R)	
Michigan State University		20210	108,004 (R)	
Pennsylvania State University		20269	74,556 (R)	
Southern Illinois University		20215	29,055 (R)	
University of Alaska		OPP-0327664	40,455 (R)	
University of California		20218	162,403 (R)	
University of California		20423	15,221 (R)	
University of Illinois		CMS-9701785	10,201 (R)	
University of Illinois		EEC-9701785	138,238 (R)	
University of Illinois		CMS 97015	92,623 (R)	
University of Kansas Center for Research Inc		68904	729 (R)	
University of Maryland		IIS-0121570	13 (R)	
University of Miami		68841	16,000 (R)	
University of Missouri		20443	137,963 (R)	
University of Missouri		20226	31,357 (R)	
University of Puerto Rico		20414	45,663 (R)	
University of Tennessee		20271	5,295 (R)	
Virginia Polytechnic Institute		20233	14,497 (R)	
Total Biological Sciences			\$ 14,538,331	
<b>Social, Behavioral, and Economic Sciences</b>				
Social, Behavioral, and Economic Sciences	47.075			
Direct			\$ 1,909,982 (R)	
Through:				
Arizona State University		ISBE-0354453	73,891 (R)	
Arizona State University		SES-0531194	190,574 (R)	
Arizona State University		20272	16,519 (R)	
Through:				
Clark University		20006	903 (R)	
Columbia University		68698	13,924 (R)	
Georgia State University Research Foundation		581845423	2,802,271 (R)	
University of Arizona		20266	54,972 (R)	
Total Social, Behavioral, and Economic Sciences			\$ 5,063,036	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>National Science Foundation</b>				
Education and Human Resources	47.076			
Direct			\$ 23,345,132	(R)
Through:				
Armstrong Atlantic University		DRL-0737372	7,287	
Clark Atlanta University		DUE-0417079	7,208	(R)
Harrisburg University of Science and Technology			1,200	
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	1,113,397	
Georgia State University Research Foundation		581845423	1,747,009	(R)
Indiana University		20235	61,936	(R)
North Carolina State University		20211	26,569	(R)
Utah State University		20336	222,506	(R)
University of Maryland		20223	21,949	(R)
University of Pittsburgh		DRL-0741685	16,895	(R)
Total Education and Human Resources			\$ 26,571,088	
Polar Programs	47.078			
Direct			\$ 533,955	(R)
Through:				
University Corp for Atmosphere Research		ATM-0301213	95,837	(R)
Total Polar Programs			\$ 629,792	
International Science and Engineering (OISE)	47.079			
Direct			\$ 296,039	(R)
Through:				
Georgia Southern University Research and Service Foundation, Inc.		63828383	315	(R)
Georgia State University Research Foundation		581845423	12,551	(R)
Medical College of Georgia Research Institute		96-666-8691	1,086	
US Civilian Research & Development Foundation		69303	5,034	(R)
Total International Science and Engineering (OISE)			\$ 315,025	
Office of Cyberinfrastructure	47.080			
Direct			\$ 28,888	(R)
Other Federal Assistance	47.XXX			
Direct			\$ 1,187,163	(R)
Through:				
American Educational Research Association		68392	13,507	(R)
Brigham Young University		68724	16,925	(R)
Georgia State University Research Foundation		581845423	77,443	(R)
Oberlin College		68697	10,400	(R)
South Carolina Sea Grant Consortium		20328	5,834	(R)
South Carolina Sea Grant Consortium		68764	48,350	(R)
University of Illinois		20221	724,486	(R)
University of Tennessee		20271	279,676	(R)
Wright State University		20440	44,989	(R)
Total Other Federal Assistance			\$ 2,408,773	
<b>AGENCY TOTAL</b>			<b>\$ 99,769,432</b>	
<b>Small Business Administration</b>				
Small Business Development Center	59.037			
Direct			\$ 2,436,662	(R)
Through:				
Georgia State University Research Foundation		581845423	254,048	
Total Small Business Development Center			\$ 2,690,710	
Other Federal Assistance	59.XXX			
Direct			\$ 13,917	(R)
<b>AGENCY TOTAL</b>			<b>\$ 2,704,627</b>	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Smithsonian Institution</b>				
Other Federal Assistance Direct	60.XXX		\$ <u>116,503</u> (R)	
<b>AGENCY TOTAL</b>			\$ <u>116,503</u>	
<b>Tennessee Valley Authority</b>				
Other Federal Assistance Direct	62.XXX		\$ <u>2</u> (R)	
<b>AGENCY TOTAL</b>			\$ <u>2</u>	
<b>Veterans Affairs, U.S. Department of</b>				
Veterans State Domiciliary Care Direct	64.014		\$ <u>1,087,435</u>	
Veterans State Nursing Home Care Direct	64.015		\$ <u>12,955,962</u>	
Sharing Specialized Medical Resources Direct	64.018		\$ <u>26,672</u> (R)	
Vocational Rehabilitation for Disabled Veterans Direct	64.116		\$ <u>178,236</u> (R)	
Survivors and Dependents Educational Assistance Direct	64.117		\$ <u>2,649</u>	
Post-Vietnam Era Veterans' Educational Assistance Direct	64.120		\$ <u>510,959</u>	
State Cemetery Grants Direct	64.203		\$ <u>6,728,035</u>	
Other Federal Assistance Direct Through: Medical College of Georgia Research Institute	64.XXX		\$ <u>62,308</u> (R)	
		96-666-8691	<u>106,268</u>	
Total Other Federal Assistance			\$ <u>168,576</u>	
<b>AGENCY TOTAL</b>			\$ <u>21,658,524</u>	
<b>Environmental Protection Agency</b>				
State Indoor Radon Grants Direct	66.032		\$ <u>278,100</u>	
Surveys, Studies, Research, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act Direct	66.034		\$ <u>1,314,146</u> (R)	
Water Pollution Control State and Interstate Program Support Direct Through: Florida Fish & Wildlife Conservation Commission	66.419		\$ <u>25,503</u>	
		20381	<u>5,000</u> (R)	
Total Water Pollution Control State and Interstate Program Support			\$ <u>30,503</u>	
State Underground Water Source Protection Direct	66.433		\$ <u>157,452</u>	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act Direct	66.436		\$ <u>24,934</u> (R)	



# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Environmental Protection Agency</b>				
Water Quality Management Planning Direct	66.454		\$ 6,938,231	
Capitalization Grants for Clean Water State Revolving Funds Direct	66.458		\$ 18,518,758	\$ 539,016,340 (3)
Nonpoint Source Implementation Grants Direct	66.460		\$ 140,662 (R)	
Through:				
Columbus Water Works			3,582 (R)	
University of South Florida St. Petersburg			1,289 (R)	
Total Nonpoint Source Implementation Grants			\$ 145,533	
Regional Wetland Program Development Grants Direct	66.461		\$ 101,624	
Through:				
National Fish & Wildlife Foundation		69254	11,785 (R)	
Total Regional Wetland Program Development Grants			\$ 113,409	
Water Quality Cooperative Agreements Direct	66.463		\$ 54,655	
Capitalization Grants for Drinking Water State Revolving Funds Direct	66.468		\$ 18,801,363	\$ 102,410,358 (3)
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs Direct	66.471		\$ 61,566	
Beach Monitoring and Notification Program Implementation Grants Direct	66.472		\$ 334,827	
Water Protection Grants to the States Direct	66.474		\$ 95,544	
Science to Achieve Results (STAR) Research Program Direct	66.509		\$ 1,916,001 (R)	
Through:				
Indiana University		20235	114,778 (R)	
Johns Hopkins Bloomberg School of Public Health		RD83241701	759 (R)	
North Carolina State University		20211	63,310 (R)	
Total Science to Achieve Results (STAR) Research Program			\$ 2,094,848	
Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development Direct	66.510		\$ 4,365 (R)	
Office of Research and Development Consolidated Research Direct	66.511		\$ 157,213 (R)	
Through:				
University of Houston		X83234201	53,734 (R)	
University of West Florida		EM-974550002	1,001 (R)	
Total Office of Research and Development Consolidated Research			\$ 211,948	
Science to Achieve Results (STAR) Fellowship Program Direct	66.514		\$ 84,910 (R)	
Environmental Protection Consolidated Grants - Program Support Direct	66.600		\$ -943 (R)	
Performance Partnership Grants Direct	66.605		\$ 14,222,257	
Environmental Information Exchange Network Grant Program and Related Assistance Direct	66.608		\$ 65,383	
Consolidated Pesticide Enforcement Cooperative Agreements Direct	66.700		\$ 690,297	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Environmental Protection Agency</b>				
Toxic Substances Compliance Monitoring Cooperative Agreements Direct	66.701		\$ 11,213	
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals Direct	66.707		\$ 344,705	
Pollution Prevention Grants Program Direct	66.708		\$ 70,994	
Multi-Media Capacity Building Grants for States and Tribes Direct	66.709		\$ 55,789	
Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach Direct	66.716		\$ 60,936 (R)	
Source Reduction Assistance Direct	66.717		\$ 4,600	
Hazardous Waste Management State Program Support Through: Louisiana State University	66.801	R-82877301	\$ 13,101 (R)	
Superfund State, Political Subdivision, and Indian Tribe Site - Specific Cooperative Agreements Direct	66.802		\$ 471,767	
State and Tribal Underground Storage Tanks Program Direct	66.804		\$ 324,958	
Leaking Underground Storage Tank Trust Fund Program Direct	66.805		\$ 1,448,471	
Solid Waste Management Assistance Grants Direct	66.808		\$ 34,095	
Superfund State and Indian Tribe Core Program Cooperative Agreements Direct	66.809		\$ 449,959	
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements Through: Louisiana State University	66.814	TR-83157701	\$ 13,125 (R)	
State and Tribal Response Program Grants Direct	66.817		\$ 1,152,199	
Environmental Education and Training Program Direct	66.950		\$ 7,597 (R)	
Environmental Education Grants Direct	66.951		\$ 11,000	
Through: County of Walton (Georgia)		40088	\$ 4,248 (R)	
Total Environmental Education Grants			\$ 15,248	
Other Federal Assistance Direct	66.XXX		\$ 63,703 (R)	
Through: MACTEC, Inc		60906	\$ 5,604 (R)	
National Center For Healthy Housing		68899	\$ 15,259 (R)	
Various Other States		20204	\$ 1,402 (R)	
Total Other Federal Assistance			\$ 85,968	
<b>AGENCY TOTAL</b>			<b>\$ 68,806,811</b>	<b>\$ 641,426,698</b>

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Nuclear Regulatory Commission</b>				
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program Direct	77.006		\$ 276,859 (R)	
<b>AGENCY TOTAL</b>			<b>\$ 276,859</b>	
<b>Energy, U.S. Department of</b>				
Used Energy-Related Laboratory Equipment Grants Through: UT-Battelle LLC	81.022	67929	\$ 9,854 (R)	
Inventions and Innovations Through: Eaton Corporation Research and Development Solutions LLC Siemens UT-Battelle LLC	81.036	DE-FC36-04G014000 DE-AC26-04NT41817 DE-FC26-05NT42644 67929	\$ 110,436 (R) 52,197 (R) 18,568 (R) 19,441 (R)	
Total Inventions and Innovations			\$ 200,642	
State Energy Program Direct	81.041		\$ 643,916	
Weatherization Assistance for Low - Income Persons Direct	81.042		\$ 3,071,562	
Office of Science Financial Assistance Program Direct Through: Argonne National Laboratory Atofina Chemicals Inc Battelle Carnegie Mellon Institute Clemson University Concurrent Technology Duke University Evergreen Solar Georgia State University Research Foundation Idaho National Engineering Laboratory Lawrence Berkeley National Laboratory Lawrence Livermore National Laboratory Lawrence Livermore National Laboratory Los Alamos National Laboratory Medical College of Georgia Research Foundation National Renewable Energy Laboratory Nei Corporation North Carolina State University Oak Ridge Associated University Oak Ridge National Laboratory Oak Ridge National Laboratory Og Technologies Polymer Aging Concepts Inc Princeton University Rnet Technologies RWE Schott Solar Sandia National Laboratory Sandia National Laboratory Sandia National Laboratory Sandia National Laboratory Sandia National Laboratory Sandia National Laboratory Savannah River Company Synergy Parametrics Llc Tennessee Valley Authority University of Illinois University of Tennessee University of California University of North Carolina Westinghouse Weyerhaeuser Company	81.049	68067 DE-SC02-03CH11137 213048 DE-FG02-05ER15717 DE-FC21-92MC29061 DE-FC02-05CH11298 67922 ZAX-5-33628-08 581845423 DE-AC07-05ID14517 DE-AC02-05CH11231 W-7405-ENG-48 DE-AC52-07NA27344 W-7405-ENG-36 96-666-8691 DE-AC36-99GO10337 DE-FG02-07ER84915 DE-FG07-03ID14532 LTR DTD 41107 DE-AC05-00OR22725 DOE DE-AC05-00OR227 011-0620436 DE-PS02-06ER06-30 DE-FG02-04ER46165 DE-FG02-05ER84163 DE-AC36-99-GO10337 DE-AC04-AL-85000 AOA 356 3183 PO 18499, A0356 DOE DE-AC04-AL-8500 581761 521279 LTR DTD 9/17/04 DE-AC09-96SR18500 61500 47066 DE-FG07-07ID14891 DE-FG05-08OR23331 20218 DE-AC05-76RL01830 24953 DE-FC26-04NT42259	144,581 (R) 7,880 (R) 66,534 (R) 19,149 (R) 102,117 (R) 150,003 (R) 129,566 (R) 34,563 (R) 1,795,734 (R) 2,981 (R) 201,723 (R) 69,605 (R) 107,540 (R) 129,817 (R) 202,896 (R) 181,807 (R) 29,001 (R) 51,999 (R) 5,000 (R) 778,867 (R) 18,721 (R) 55,671 (R) 20,000 (R) 126,832 (R) 147,437 (R) -16,574 (R) 228,816 (R) -56 (R) -194 (R) -87 (R) -6,732 (R) 24,556 (R) 27 (R) 68,000 (R) 47,990 (R) 9,319 (R) 1,117 (R) 27,665 (R) 37,199 (R) 465,702 (R) 28,652 (R) 14,833 (R)	
Total Office of Science Financial Assistance Program			\$ 14,116,114	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Energy, U.S. Department of</b>				
University Coal Research Direct	81.057		\$ 173,573 (R)	
Office of Scientific and Technical Information Direct	81.064		\$ 153,095 (R)	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	5,100 (R)	
UT-Battelle LLC		67929	33,348 (R)	
Total Office of Scientific and Technical Information			\$ 191,543	
Regional Biomass Energy Programs Direct	81.079		\$ 80,938 (R)	
Through:				
Cleantech Partners Inc		DE-PS36-06-GO96002F	73,442 (R)	
Southern States Energy Board		58-0864888	28,886	
Total Regional Biomass Energy Programs			\$ 183,266	
Conservation Research and Development Direct	81.086		\$ 1,190,851 (R)	
Through:				
Colorado State University		20246	118,151 (R)	
North Carolina State University		DE-FC36-04GO14308	47,792 (R)	
Washington Savannah River Comp		61529	31,256 (R)	
Total Conservation Research and Development			\$ 1,388,050	
Renewable Energy Research and Development Direct	81.087		\$ 1,870,733 (R)	
Through:				
Areva NC Inc		DE-AC27-99RL4047 /	811 (R)	
BP Solar		DE-FC36-007GO17049	141,950 (R)	
Consortium for Plant Biotech Research		68714	63,639 (R)	
Eaton Corporation		DE-FC36-04GO14000	7,829 (R)	
GE Energy Services		DE-FC36-07GO170045	25,000 (R)	
General Electric Company		ZAX-5-33628	7,460 (R)	
National Renewable Energy Lab/Midwest Research Ins		DE-AC36-99GO10337	172,978 (R)	
Research And Development Solutions LLC		DE-AM26-04NT41817.6	31,871 (R)	
Southern Forest Research Partnership		68786	36,153 (R)	
The Consortium For Plant Biotech Res Inc.		DE-FG36-02GO12026	91,484 (R)	
University of Tennessee		DE-FG02-05ER15723	40,638 (R)	
University of Delaware		XEJ-6-55157-01	26,834 (R)	
Total Renewable Energy Research and Development			\$ 2,517,380	
Fossil Energy Research and Development Direct	81.089		\$ 445,814 (R)	
Through:				
Gas Technology Institute		DE-FC26-05NT42649	4,530 (R)	
Southwest Research Institute		DE-FC26-07NT43056	27,385 (R)	
US Automotive Materials Partnership		DE-FC26-02OR2910	41,480 (R)	
Total Fossil Energy Research and Development			\$ 519,209	
Office of Environmental Cleanup and Acceleration Direct	81.104		\$ 141,046	
Through:				
Clark Atlanta University		DE-FG52-05NA27040	766 (R)	
Total Office of Environmental Cleanup and Acceleration			\$ 141,812	
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions Direct	81.106		\$ 386	
Through:				
Southern States Energy Board		58-0864888	177,238	
Total Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions			\$ 177,624	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Energy, U.S. Department of</b>				
Defense Nuclear Nonproliferation Research	81.113			
Direct			\$ 8,949 (R)	
Through:				
Savannah River Company		DE-AC09-96SR18500	23,603 (R)	
University of California		FA8718-07-C-0005	44,490 (R)	
Total Defense Nuclear Nonproliferation Research			\$ 77,042	
University Reactor Infrastructure and Education Support	81.114			
Direct			\$ 54,127 (R)	
Through:				
Pennsylvania State University		DE-FG07-02ID14423	25,129 (R)	
South Carolina State University		DE-FG07-01ID14013	51,412 (R)	
Total University Reactor Infrastructure and Education Support			\$ 130,668	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117			
Direct			\$ 252,912 (R)	
State Energy Program Special Projects	81.119			
Direct			\$ 467,764	
Nuclear Energy Research, Development and Demonstration	81.121			
Direct			\$ 626,415 (R)	
Federal Loan Guarantees for Innovative Energy Technologies	81.126			
Through:				
Washington Savannah River Comp		61529	\$ 10,860 (R)	
Other Federal Assistance	81.XXX			
Direct			\$ 1,658,826 (R)	
Through:				
Clark Atlanta University		68055	13,478 (R)	
General Electric Global Research		61394	127,522 (R)	
Indiana University		20235	55,702 (R)	
University of Washington		20292	67,585 (R)	
UT-Battelle LLC		67929	1,050,497 (R)	
Total Other Federal Assistance			\$ 2,973,610	
<b>AGENCY TOTAL</b>			<b>\$ 27,873,816</b>	
<b>Education, U.S. Department of</b>				
Adult Education - State Grant Program	84.002			
Direct			\$ 16,959,000	
Federal Supplemental Educational Opportunity Grants (SFA)	84.007			
Direct			\$ 9,232,693	
Title I Grants to Local Educational Agencies	84.010			
Direct			\$ 410,879,514	
Through:				
Taylor County Board of Education		7330	16,019	
Troup County Board of Education		7410	20,611	
Total Title I Grants to Local Educational Agencies			\$ 410,916,144	
Migrant Education - State Grant Program	84.011			
Direct			\$ 8,346,443	
Through:				
Southern Pine Migrant Educational Agency		58-1171281	27,973	
Total Migrant Education - State Grant Program			\$ 8,374,416	
Title I Program for Neglected and Delinquent Children	84.013			
Direct			\$ 1,265,047	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Education, U.S. Department of</b>				
National Resource Centers and Fellowships Program for Foreign Language and Area Studies or Foreign Language and International Studies Program Through: Georgia State University Research Foundation	84.015	581845423	\$ 34,440	
Undergraduate International Studies and Foreign Language Programs Direct Through: GSU Research and Service Foundation, Inc.	84.016	63828383	\$ 148,111 (R) 763	
Total Undergraduate International Studies and Foreign Language Programs			\$ 148,874	
International Research and Studies Direct	84.017		\$ 226,604 (R)	
Overseas Programs - Group Projects Abroad Direct	84.021		\$ 115,806 (R)	
Overseas Programs - Doctoral Dissertation Research Abroad Direct	84.022		\$ 3,225 (R)	
Special Education - Grants to States (SEC) Direct	84.027		\$ 293,560,143	
Higher Education - Institutional Aid Direct	84.031		\$ 9,009,138	
Federal Family Education Loans (SFA) Direct	84.032		\$ 40,940,467	\$ 1,118,589,647 (3)
Federal Work-Study Program (SFA) Direct	84.033		\$ 9,426,848	
Federal Perkins Loan Program - Federal Capital Contributions (SFA) Direct	84.038		\$ 783,418	\$ 38,981,962 (3)
TRIO - Student Support Services (TRIO) Direct	84.042		\$ 2,066,867 (R)	
TRIO - Talent Search (TRIO) Direct Through: Georgia State University Research Foundation GSU Research and Service Foundation, Inc.	84.044	581845423 63828383	\$ 1,403,435 (R) 213,221 335,195	
Total TRIO - Talent Search (TRIO)			\$ 1,951,851	
TRIO - Upward Bound (TRIO) Direct Through: Georgia State University Research Foundation GSU Research and Service Foundation, Inc.	84.047	581845423 63828383	\$ 3,910,429 (R) 686,600 354,318	
Total TRIO - Upward Bound (TRIO)			\$ 4,951,347	
Vocational Education - Basic Grants to States Direct Through: Georgia Vocational Staff Development Consortium	84.048	CTAE6073	\$ 40,880,239 44,700	
Total Vocational Education - Basic Grants to States			\$ 40,924,939	
Federal Pell Grant Program (SFA) Direct	84.063		\$ 282,654,505	
TRIO - Educational Opportunity Centers (TRIO) Direct Through: Georgia State University Research Foundation	84.066	581845423	\$ 211,183 320,024	
Total TRIO - Educational Opportunity Centers (TRIO)			\$ 531,207	
Leveraging Educational Assistance Partnership Direct	84.069		\$ 600,113	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Education, U.S. Department of</b>				
Fund for the Improvement of Postsecondary Education	84.116			
Direct			\$ 826,838 (R)	
Through:				
Academy for Education Development Inc		H357F030002-07	31,532 (R)	
California State University Foundation		70305	3,000	
Georgia State University Research Foundation		581845423	48,886	
Helping Teens Succeed, Inc.		61328	14,525 (R)	
University of Florida		20220	5,505 (R)	
University of Michigan		P116J040049	59,492 (R)	
Total Fund for the Improvement of Postsecondary Education			\$ 989,778	
Educational Research and Development	84.117			
Direct			\$ 76,013	
Minority Science and Engineering Improvement	84.120			
Direct			\$ 141,132	
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126			
Direct			\$ 89,147,184	
Rehabilitation Services - Service Projects	84.128			
Direct			\$ 124,085	
Through:				
Georgia State University Research Foundation		581845423	55,636	
Total Rehabilitation Services - Service Projects			\$ 179,721	
Rehabilitation Long - Term Training	84.129			
Through:				
Georgia State University Research Foundation		581845423	\$ 149,401	
National Institute on Disability and Rehabilitation Research	84.133			
Direct			\$ 3,124,357 (R)	
Through:				
Georgia State University Research Foundation		581845423	65,180 (R)	
Sheppard Spinal Center		H133N060009	24,529 (R)	
Southwest Educational Development Lab		H133A031402	37,577 (R)	
Syracuse University		H133A060094	97,114 (R)	
Total National Institute on Disability and Rehabilitation Research			\$ 3,348,757	
Migrant Education - High School Equivalency Program	84.141			
Direct			\$ 404,373	
Migrant Education - College Assistance Migrant Program	84.149			
Direct			\$ 352,010	
Business and International Education Projects	84.153			
Through:				
Georgia State University Research Foundation		581845423	\$ 103,632	
Independent Living - State Grants	84.169			
Direct			\$ 476,432	
Javits Fellowships	84.170			
Through:				
Georgia State University Research Foundation		581845423	\$ 46,079 (R)	
Special Education - Preschool Grants (SEC)	84.173			
Direct			\$ 9,593,015	
Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	84.177			
Direct			\$ 835,425	
Special Education - Grants for Infants and Families with Disabilities	84.181			
Direct			\$ 12,729,582	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	897	
Total Special Education - Grants for Infants and Families with Disabilities			\$ 12,730,479	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Education, U.S. Department of</b>				
Byrd Honors Scholarships Direct	84.185		\$ <u>1,248,000</u>	
Safe and Drug-Free Schools and Communities - State Grants Direct	84.186		\$ <u>9,311,573</u>	
Supported Employment Services for Individuals with Significant Disabilities Direct	84.187		\$ <u>1,025,444</u>	
Bilingual Education - Professional Development Direct	84.195		\$ <u>14,135</u>	
Education for Homeless Children and Youth Direct	84.196		\$ <u>1,561,244</u>	
Graduate Assistance in Areas of National Need Direct	84.200		\$ 297,759 (R)	
Through: Georgia State University Research Foundation		581845423	<u>50,682</u>	
Total Graduate Assistance in Areas of National Need			\$ <u>348,441</u>	
Even Start - State Educational Agencies Direct	84.213		\$ <u>2,097,312</u>	
Fund for the Improvement of Education Direct	84.215		\$ 38,193	
Through: Georgia State University Research Foundation		581845423	14,567	
National Council on Economic Education		IS-06-00217	23,756 (R)	
National Council on Economic Education		IS-05-1006	<u>1,604 (R)</u>	
Total Fund for the Improvement of Education			\$ <u>78,120</u>	
TRIO - McNair Post-Baccalaureate Achievement (TRIO) Through: Georgia Southern University Research and Service Foundation, Inc.	84.217	63828383	\$ 295,173	
Georgia State University Research Foundation		581845423	<u>339,397</u>	
Total TRIO - McNair Post-Baccalaureate Achievement (TRIO)			\$ <u>634,570</u>	
Centers for International Business Education Direct	84.220		\$ <u>315,457 (R)</u>	
Assistive Technology Direct	84.224		\$ <u>846,753</u>	
Income Contingent Loan Program Direct	84.226			\$ <u>51,915 (3)</u>
Rehabilitation Services Demonstration and Training Programs Direct	84.235		\$ <u>26,800</u>	
Tech-Prep Education Direct	84.243		\$ <u>-105,406</u>	
Literacy Programs for Prisoners Direct	84.255		\$ <u>131,661</u>	
National Institute for Literacy Through: Georgia State University Research Foundation	84.257	581845423	\$ <u>26,344</u>	
Rehabilitation Training - Continuing Education Direct	84.264		\$ 6,600	
Through: Georgia State University Research Foundation		581845423	<u>1,000,109</u>	
Total Rehabilitation Training - Continuing Education			\$ <u>1,006,709</u>	
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training Direct	84.265		\$ <u>173,542</u>	



# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Education, U.S. Department of</b>				
Federal Direct Student Loans (SFA) Direct	84.268		\$ 394,032,190	
Charter Schools Direct	84.282		\$ 1,831,190	
Twenty-First Century Community Learning Centers Direct	84.287		\$ 31,399,711	
State Grants for Innovative Programs Direct	84.298		\$ 2,975,935	
Education Research, Development and Dissemination Through: Georgia State University Research Foundation	84.305	581845423	\$ 58,879 (R)	
Education Technology State Grants Direct Through: Chattahoochee County Board of Education Macon County Board of Education Meriwether County Board of Education Muscogee County Board of Education Randolph County Board of Education Troup County Board of Education	84.318	6261 6941 6991 7061 7201 7411	\$ 7,534,128 6,581 7,730 9,053 9,839 11,601 10,203	
Total Education Technology State Grants			\$ 7,589,135	
Special Education - State Personnel Development Direct	84.323		\$ 1,255,458	
Research in Special Education Direct Through: Georgia State University Research Foundation	84.324	581845423	\$ 432,314 (R) 2,409,847 (R)	
Total Research in Special Education			\$ 2,842,161	
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities Direct Through: Georgia State University Research Foundation	84.325	581845423	\$ 757,964 (R) 280,484 (R)	
Total Special Education - Personnel Development to Improve Services and Results for Children with Disabilities			\$ 1,038,448	
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities Through: Georgia State University Research Foundation	84.326	581845423	\$ 312,336	
Special Education - Technology and Media Services for Individuals with Disabilities Through: University of Oregon	84.327	20441	\$ 23,911 (R)	
Special Education Studies and Evaluations Through: Center For Civic Education	84.329	68759	\$ 70,689 (R)	
Advanced Placement Program Direct	84.330		\$ 249,144	
Grants to States for Incarcerated Youth Offenders Direct	84.331		\$ 940,166	
Comprehensive School Reform Demonstration Direct	84.332		\$ -45,593	
Gaining Early Awareness and Readiness for Undergraduate Programs Direct	84.334		\$ 800,187	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Education, U.S. Department of</b>				
Child Care Access Means Parents in School Direct	84.335		\$ 181,724	
Teacher Quality Enhancement Grants Direct	84.336		\$ 334,404 (R)	
Through:				
Georgia State University Research Foundation		581845423	1,315,848	
Total Teacher Quality Enhancement Grants			\$ 1,650,252	
Preparing Tomorrow's Teachers to Use Technology Direct	84.342		\$ 237,959 (R)	
Through:				
Georgia State University Research Foundation		581845423	32,005	
Total Preparing Tomorrow's Teachers to Use Technology			\$ 269,964	
Transition to Teaching Direct	84.350		\$ 1,587,393 (R)	
Through:				
DeKalb County School System		40254	16,972 (R)	
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	3,439	
Georgia State University Research Foundation		581845423	77,784 (R)	
Total Transition to Teaching			\$ 1,685,588	
Arts in Education Direct	84.351		\$ 289,655	
Through:				
Georgia State University Research Foundation		581845423	60,583 (R)	
Total Arts in Education			\$ 350,238	
Reading First State Grants Direct	84.357		\$ 34,617,002	
Rural Education Direct	84.358		\$ 7,376,744	
Through:				
Schley County Board of Education		7231	5,297	
Total Rural Education			\$ 7,382,041	
Early Reading First Through:	84.359			
Georgia State University Research Foundation		581845423	\$ 9,737 (R)	
School Leadership Direct	84.363		\$ 613,073	
English Language Acquisition Grants Direct	84.365		\$ 15,022,618	
Mathematics and Science Partnerships Direct	84.366		\$ 5,205,883	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	16,859	
Macon County Board of Education		6941	23,469	
Total Mathematics and Science Partnerships			\$ 5,246,211	
Improving Teacher Quality State Grants Direct	84.367		\$ 76,736,647 (R)	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	197,903	
Georgia State University Research Foundation		581845423	96,870	
Mercer University		RH216-241/3840588	2,444	
Mercer University		RH216-241/3840598	4,888	
Whitfield County Schools		58-6000347	9,559	
Total Improving Teacher Quality State Grants			\$ 77,048,311	
Grants for Enhanced Assessment Instruments Direct	84.368		\$ 59,583	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Education, U.S. Department of</b>				
Grants for State Assessments and Related Activities Direct	84.369		\$ 11,212,476	
Special Education Technical Assistance On State Data Collection Direct	84.373		\$ 80,337	
Through: Georgia State University Research Foundation		581845423	22,764 (R)	
Total Special Education Technical Assistance On State Data Collection			\$ 103,101	
Academic Competitiveness Grants (SFA) Direct	84.375		\$ 6,708,603	
National Science and Mathematics Access to Retain Talent (SMART) Grants (SFA) Direct	84.376		\$ 3,534,550	
National Assessment of Educational Progress Direct	84.902		\$ 100,376	
National Writing Project Direct	84.928		\$ 96,853 (R)	
Through: Georgia Southern University Research and Service Foundation, Inc.		63828383	25,030	
National Writing Project Corporation		68636	56,234 (R)	
National Writing Project Corporation		07GA07	25,680	
University of California		94-3130846	75,945	
Total National Writing Project			\$ 279,742	
Hurricane Education Recovery Direct	84.938		\$ -931,927	
Other Federal Assistance Direct	84.XXX		\$ 369,915 (R)	
Through: Georgia State University Research Foundation		581845423	98,882 (R)	
Georgia State University Research Foundation		581845423	2,721	
University of Tennessee		62-6001636	55,102	
UT-Battelle LLC		67929	67,419 (R)	
Total Other Federal Assistance			\$ 594,039	
<b>AGENCY TOTAL</b>			<b>\$ 1,883,102,471</b>	<b>\$ 1,157,623,524</b>
<b>National Archives and Records Administration</b>				
National Archives Reference Services - Historical Research Direct	89.001		\$ 743	
National Historical Publications and Records Grants Direct	89.003		\$ 144,856	
Other Federal Assistance Direct	89.XXX		\$ 3,305	
<b>AGENCY TOTAL</b>			<b>\$ 148,904</b>	
<b>United States Institute of Peace</b>				
Unsolicited Grant Program Through: Georgia State University Research Foundation	91.001	581845423	\$ 7,911 (R)	
Solicited Grant Program Direct	91.002		\$ 8,220 (R)	
<b>AGENCY TOTAL</b>			<b>\$ 16,131</b>	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Health and Human Services, U.S. Department of</b>				
Public Health and Social Services Emergency Fund Direct	93.003		\$ 69,303	
Cooperative Agreements to Improve the Health Status of Minority Populations Through: Georgia State University Research Foundation	93.004	581845423	\$ 9,038	
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program Direct	93.006		\$ 170,370	
Community - Based Abstinence Education (CBAE) Direct Through: Friends of Cobb Commission on Youth	93.010	58-2119585	\$ 71,053 22,084 (R)	
Total Community - Based Abstinence Education (CBAE)			\$ 93,137	
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation Direct	93.041		\$ 155,004	
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals Direct	93.042		\$ 480,237	
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services Direct Through: CSRA Regional Development Commission	93.043	RDC CONT 08-08-1131	\$ 407,347 9,239	
Total Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services			\$ 416,586	
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (AC) Direct Through: Southeast Georgia Regional Development Center	93.044	AAA-2004-11	\$ 10,392,810 23,735	
Total Special Programs for the Aging - Title III, Part B - Grants for Supportive Services (AC)			\$ 10,416,545	
Special Programs for the Aging - Title III, Part C - Nutrition Services (AC) Direct	93.045		\$ 15,059,197	
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects Direct	93.048		\$ 319,248	
Alzheimers Disease Demonstration Grants to States Direct	93.051		\$ 68,923	
National Family Caregiver Support Direct	93.052		\$ 3,680,695	
Nutrition Services Incentive Program (AC) Direct	93.053		\$ 2,090,467	
Innovations in Applied Public Health Research Direct Through: Medical College of Georgia Research Foundation	93.061	96-666-8691	\$ 1,418,426 (R) 2,411 (R)	
Total Innovations in Applied Public Health Research			\$ 1,420,837	
Centers for Genomics and Public Health Direct	93.063		\$ 85,526 (R)	
Public Health Emergency Preparedness Direct	93.069		\$ 15,405,064	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Health and Human Services, U.S. Department of</b>				
Healthy Marriage Promotion and Responsible Fatherhood Grants Direct	93.086		\$ 138,317	
Enhance The Safety of Children Affected By Parental Methamphetamine Or Other Substance Abuse Direct	93.087		\$ 144,598	
Food and Drug Administration - Research Direct	93.103		\$ 314,662 (R)	
Model State - Supported Area Health Education Centers Direct	93.107		\$ 377,611	
Maternal and Child Health Federal Consolidated Programs Direct	93.110		\$ 295,305	
Through:				
Hemophilia of Georgia		5 H30 MC 00011-17	10,137	
Medical College of Georgia Research Foundation		96-666-8691	980	
Medical College of Georgia Research Foundation		96-666-8691	39,029 (R)	
Total Maternal and Child Health Federal Consolidated Programs			\$ 345,451	
Biological Response to Environmental Health Hazards Direct	93.113		\$ 508,703 (R)	
Through:				
Emory University		5-41610-G01	19,391 (R)	
Emory University		1R01 ES012967	111,047 (R)	
Medical College of Georgia Research Institute		96-666-8691	322,578 (R)	
University of Miami		68841	78,996 (R)	
Total Biological Response to Environmental Health Hazards			\$ 1,040,715	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs Direct	93.116		\$ 2,144,394	\$ 252,001
Oral Diseases and Disorders Research Direct	93.121		\$ 448,032 (R)	
Through:				
Boston Medical Center		68403	-25,630 (R)	
Medical College of Georgia Research Institute		96-666-8691	774,235 (R)	
Total Oral Diseases and Disorders Research			\$ 1,196,637	
Nurse Anesthetist Traineeships Direct	93.124		\$ 22,699	
Emergency Medical Services for Children Direct	93.127		\$ 99,526	
Primary Care Services - Resource Coordination and Development Direct	93.130		\$ 156,648	
Centers for Research and Demonstration for Health Promotion and Disease Prevention Through:	93.135			
Georgia State University Research Foundation		581845423	\$ 20,594 (R)	
Injury Prevention and Control Research and State and Community Based Programs Direct	93.136		\$ 2,155,878 (R)	
NIEHS Superfund Hazardous Substances - Basic Research and Education Through:	93.143			
University of Texas at Austin		R01 ES016154-01	\$ 8,789 (R)	
Projects for Assistance in Transition from Homelessness (PATH) Direct	93.150		\$ 2,076,436	
Health Program for Toxic Substances and Disease Registry Direct	93.161		\$ 513,881 (R)	

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## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Health and Human Services, U.S. Department of</b>				
Human Genome Research	93.172			
Direct			\$ 394,816 (R)	
Through:				
Medical College of Georgia Research Institute		96-666-8691	22,624 (R)	
Total Human Genome Research			\$ 417,440	
Research Related to Deafness and Communication Disorders	93.173			
Direct			\$ 153,326 (R)	
Through:				
Emory University		2 R56 DC005017-06A1	120,610 (R)	
Georgia State University Research Foundation		581845423	102,197 (R)	
Medical College of Georgia Research Institute		96-666-8691	397,917 (R)	
State University of New York		1R01 DC005762-01A1	116,101 (R)	
University of California-Santa Barbara		29248	73,902 (R)	
Total Research Related to Deafness and Communication Disorders			\$ 964,053	
Nursing Workforce Diversity	93.178			
Direct			\$ 752,630	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		63828383	257,872	
Medical College of Georgia Research Foundation		96-666-8691	204,715	
Total Nursing Workforce Diversity			\$ 1,215,217	
Allied Health Special Projects	93.191			
Through:				
Medical College of Georgia Research Institute		96-666-8691	\$ 55,174	
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197			
Direct			\$ 341,664	
Human Health Studies - Applied Research and Development	93.206			
Direct			\$ 34,204 (R)	
Telehealth Network Grants	93.211			
Through:				
Medical College of Georgia Research Institute		96-666-8691	\$ 9,585	
Research and Training in Complementary and Alternative Medicine	93.213			
Through:				
Medical College of Georgia Research Institute		96-666-8691	\$ 314,368 (R)	
University of Kentucky Research Foundation		2 RO1 DA013425-04A2	70,696 (R)	
Total Research and Training in Complementary and Alternative Medicine			\$ 385,064	
Family Planning - Services	93.217			
Direct			\$ 6,915,588	
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224			
Direct			\$ 2,427,134	
Research on Healthcare Costs, Quality and Outcomes	93.226			
Direct			\$ 1,681,700 (R)	
Through:				
Children Healthcare of Atlanta		1 UC1 HS015236-01	274,444 (R)	
Children Healthcare of Atlanta		5 UC1 HS15236-03	-56,945 (R)	
Medical College of Georgia Research Institute		96-666-8691	12,229 (R)	
Medical College of Georgia Research Institute		96-666-8691	14,205	
Total Research on Healthcare Costs, Quality and Outcomes			\$ 1,925,633	
Consolidated Knowledge Development and Application (KD&A) Program	93.230			
Direct			\$ -75	
Through:				
Morehouse College		68138	2,229 (R)	
Total Consolidated Knowledge Development and Application (KD&A) Program			\$ 2,154	

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## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Health and Human Services, U.S. Department of</b>				
Epidemiology Cooperative Agreements	93.231			
Through:				
University of Minnesota		20225	\$ 206,741 (R)	
Traumatic Brain Injury State Demonstration Grant Program	93.234			
Direct			\$ 115,110	
Grants for Dental Public Health Residency Training	93.236			
Direct			\$ 92,136	
Policy Research and Evaluation Grants	93.239			
Through:				
University of Kentucky Research Foundation		2 U01 PE000002-05	\$ 19,841 (R)	
State Capacity Building	93.240			
Direct			\$ 141,515	
State Rural Hospital Flexibility Program	93.241			
Direct			\$ 619,294	
Mental Health Research Grants	93.242			
Direct			\$ 1,776,317 (R)	
Through:				
Emory University		5 R01 MH065634	35,467 (R)	
Georgia State University Research Foundation		581845423	536,859 (R)	
Iowa State University		20291	10,471 (R)	
Medical College of Georgia Research Institute		96-666-8691	308,861 (R)	
San Diego State University Foundation		69098	4,860 (R)	
Total Mental Health Research Grants			\$ 2,672,835	
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243			
Direct			\$ 1,514,970 (R)	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		63828383	3,155	
McFarland & Associates		280-08-05005	89,005	
Morehouse School of Medicine		581438873	2,116 (R)	
Total Substance Abuse and Mental Health Services - Projects of Regional and National Significance			\$ 1,609,246	
Advanced Education Nursing Grant Program	93.247			
Direct			\$ 171,289	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	39,642	
Total Advanced Education Nursing Grant Program			\$ 210,931	
Universal Newborn Hearing Screening	93.251			
Direct			\$ 56,262	
Occupational Safety and Health Program	93.262			
Direct			\$ 252,723 (R)	
Through:				
University of Washington		20292	77,962 (R)	
Total Occupational Safety and Health Program			\$ 330,685	
Immunization Grants	93.268			
Direct			\$ 7,424,169	\$ 90,267,392 (4)
Alcohol National Research Service Awards for Research Training	93.272			
Direct			\$ 43,725 (R)	
Through:				
Iowa State University		20291	358,704 (R)	
Total Alcohol National Research Service Awards for Research Training			\$ 402,429	
Alcohol Research Programs	93.273			
Direct			\$ 1,007,398 (R)	
Through:				
Georgia State University Research Foundation		581845423	182,180 (R)	
Total Alcohol Research Programs			\$ 1,189,578	

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## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Health and Human Services, U.S. Department of</b>				
Drug Abuse and Addiction Research Programs	93.279			
Direct			\$ 4,260,470 (R)	
Through:				
Emory University		1 R01 DA 017795-01	56,076 (R)	
Georgia State University Research Foundation		581845423	455,885 (R)	
Iowa State University		20291	1,090 (R)	
Medical College of Georgia Research Institute		96-666-8691	126,022 (R)	
University of California - Irvine		20422	21,270 (R)	
Total Drug Abuse and Addiction Research Programs			\$ 4,920,813	
National Institutes of Health Loan Repayment Program for Clinical Researchers	93.280			
Direct			\$ 42,039 (R)	
Mental Health Research Career / Scientist Development Awards	93.281			
Direct			\$ 11,252 (R)	
Mental Health National Research Service Awards for Research Training	93.282			
Through:				
Georgia State University Research Foundation		581845423	\$ 46,006 (R)	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283			
Direct			\$ 22,870,759 (R)	
Through:				
Georgia State University Research Foundation		581845423	39,813 (R)	
Hemophilia of Georgia		U 01 DD000201-01	11,256	
Kaiser Permanente		5 U48 DP000043-03\VE	9,392 (R)	
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance			\$ 22,931,220	
Discovery And Applied Research For Technological Innovations to Improve Human Health	93.286			
Direct			\$ 5,497,286 (R)	
Through:				
Brigham And Women's Hospital		2-P41-RR013218-08	60,000 (R)	
Clemson University		5 R01 EB006163	2,872 (R)	
Florida International University		2 R01 AI045545-05	48,369 (R)	
Georgia State University Research Foundation		581845423	148,631 (R)	
TKC Integration Services LLC		200-2006-15969	15,352 (R)	
University of Miami Medical School		2 P01 AG17211-08	13,050 (R)	
University of Miami Medical School		2 P01 AG17211-09	232,723 (R)	
University of Miami Medical School		3 P01 AG017211-09S1	37,564 (R)	
Total Discovery And Applied Research For Technological Innovations to Improve Human Health			\$ 6,055,847	
Nurse Practitioner and Nurse - Midwifery Education Program	93.298			
Direct			\$ 69,804	
Small Rural Hospital Improvement Grant Program	93.301			
Direct			\$ 608,715	
Comparative Medicine	93.306			
Direct			\$ 32,778 (R)	
Minority Health and Health Disparities Research	93.307			
Through:				
Georgia State University Research Foundation		581845423	\$ 647,206 (R)	
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (SFA)	93.342			
Direct				\$ 326,171 (3)
Advanced Education Nursing Traineeships	93.358			
Direct			\$ 253,671 (R)	
Through:				
Georgia Southern University Research and Service Foundation, Inc.		63828383	36,875	
Georgia State University Research Foundation		581845423	66,368	
Total Advanced Education Nursing Traineeships			\$ 356,914	



# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Health and Human Services, U.S. Department of</b>				
Nurse Education, Practice and Retention Grants	93.359			
Direct			\$ 409,068	
Through:				
Medical College of Georgia Research Institute		96-666-8691	1,283	
Total Nurse Education, Practice and Retention Grants			\$ 410,351	
Nursing Research	93.361			
Direct			\$ 132,673 (R)	
Through:				
Georgia State University Research Foundation		581845423	183,551 (R)	
Indiana University		20235	31,359 (R)	
Medical College of Georgia Research Institute		96-666-8691	41,701 (R)	
Total Nursing Research			\$ 389,284	
Nursing Student Loans (SFA)	93.364			
Direct				\$ 917,279 (3)
National Center for Research Resources	93.389			
Direct			\$ 2,998,435 (R)	
Through:				
Cornell University		I R01 RR020115-01	113,527 (R)	
Emory University		I UL1 RR025008-01	161,780 (R)	
Georgia State University Research Foundation		581845423	629,462 (R)	
Medical College of Georgia Research Institute		96-666-8691	81,474 (R)	
Total National Center for Research Resources			\$ 3,984,678	
Academic Research Enhancement Award	93.390			
Direct			\$ 236,879 (R)	
Cancer Construction	93.392			
Through:				
Georgia State University Research Foundation		581845423	\$ 56,492 (R)	
Cancer Cause and Prevention Research	93.393			
Direct			\$ 286,510 (R)	
Through:				
Baylor College of Medicine		29245	15,320 (R)	
Medical College of Georgia Research Institute		96-666-8691	537,753 (R)	
Sloan-Kettering Institute		R21 CA 112910-01A1	1,604 (R)	
Total Cancer Cause and Prevention Research			\$ 841,187	
Cancer Detection and Diagnosis Research	93.394			
Direct			\$ 351,012 (R)	
Through:				
Georgia State University Research Foundation		581845423	156,847 (R)	
Medical College of Georgia Research Institute		96-666-8691	253,895 (R)	
Total Cancer Detection and Diagnosis Research			\$ 761,754	
Cancer Treatment Research	93.395			
Direct			\$ 447,937 (R)	
Through:				
Medical College of Georgia Research Foundation		96-666-8691	27,781	
Medical College of Georgia Research Institute		96-666-8691	1,145,633 (R)	
University of Hawaii		29250	25,256 (R)	
Total Cancer Treatment Research			\$ 1,646,607	
Cancer Biology Research	93.396			
Direct			\$ 443,447 (R)	
Through:				
Emory University		I R01 CA 108468-01	202,514 (R)	
Georgia State University Research Foundation		581845423	112,771 (R)	
Medical College of Georgia Research Institute		96-666-8691	1,406,926 (R)	
West Virginia University		55-6000842	29,266 (R)	
Total Cancer Biology Research			\$ 2,194,924	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Health and Human Services, U.S. Department of</b>				
Cancer Control	93.399			
Through:				
Emory University		5 U54 CA119338-02	\$ 95,587 (R)	
Emory University		1 U54 CA119338-01	1,010,973 (R)	
Medical College of Georgia Research Institute		96-666-8691	418,926 (R)	
Medical College of Georgia Research Institute		96-666-8691	178	
Vivonetics		R42CA103103	79,431 (R)	
Total Cancer Control			\$ 1,605,095	
Promoting Safe and Stable Families	93.556			
Direct			\$ 11,163,102	
Through:				
Richmond County Department of Family and Children		539-2692 & 200807001	65,612	
Total Promoting Safe and Stable Families			\$ 11,228,714	
Temporary Assistance for Needy Families	93.558			
Direct			\$ 414,757,143	
Family Support Payments to States - Assistance Payments	93.560			
Direct			\$ -192,812	
Through:				
Georgia State University Research Foundation		581845423	10,506	
Total Family Support Payments to States - Assistance Payments			\$ -182,306	
Child Support Enforcement	93.563			
Direct			\$ 71,666,916	
Child Support Enforcement Research	93.564			
Direct			\$ 115,325	
Refugee and Entrant Assistance - State Administered Programs	93.566			
Direct			\$ 4,283,186	
Low-Income Home Energy Assistance	93.568			
Direct			\$ 40,581,239	
Community Services Block Grant	93.569			
Direct			\$ 16,944,728	
Community Services Block Grant - Discretionary Awards	93.570			
Direct			\$ 15,074	
Child Care and Development Block Grant (CCDF)	93.575			
Direct			\$ 29,371,689	
Refugee and Entrant Assistance - Discretionary Grants	93.576			
Direct			\$ 781,620	
Refugee and Entrant Assistance - Wilson/Fish Program	93.583			
Through:				
Emory University		5 R01 NS20855-18	\$ -20,857 (R)	
University of Virginia		20275	30,020 (R)	
Total Refugee and Entrant Assistance - Wilson/Fish Program			\$ 9,163	
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584			
Direct			\$ 1,308,056	
State Court Improvement Program	93.586			
Direct			\$ 496,290 (R)	
Community - Based Child Abuse Prevention Grants	93.590			
Direct			\$ 1,635,497	
Family Violence Prevention and Services/Grants for Battered Women's Shelters - Discretionary Grants	93.592			
Through:				
Georgia State University Research Foundation		581845423	\$ 1,361,904 (R)	
Welfare Reform Research, Evaluations and National Studies	93.595			
Direct			\$ 703,712 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Health and Human Services, U.S. Department of</b>				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF)	93.596			
Direct			\$ 93,302,885	
Through:				
James Bell Associates Inc		61517	687	(R)
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF)			\$ 93,303,572	
Grants to States for Access and Visitation Programs	93.597			
Direct			\$ 277,895	
Chafee Education and Training Vouchers Program (ETV)	93.599			
Direct			\$ 1,197,001	
Head Start	93.600			
Direct			\$ 2,806,825	
Through:				
Clarke County School District		40092	15,225	(R)
Total Head Start			\$ 2,822,050	
Child Support Enforcement Demonstrations and Special Projects	93.601			
Through:				
Georgia State University Research Foundation		581845423	10,999	
Adoption Incentive Payments	93.603			
Direct			\$ 9,152	
Voting Access for Individuals with Disabilities - Grants to States	93.617			
Direct			\$ 15,113	
Developmental Disabilities Basic Support and Advocacy Grants	93.630			
Direct			\$ 1,926,887	
University Centers for Excellence in Developmental Disabilities Education, Research and Service	93.632			
Direct			\$ 445,055	(R)
Children's Justice Grants to States	93.643			
Direct			\$ 656,213	
Through:				
Georgia State University Research Foundation		581845423	119,592	(R)
Total Children's Justice Grants to States			\$ 775,805	
Child Welfare Services - State Grants	93.645			
Direct			\$ 10,367,525	
Social Services Research and Demonstration	93.647			
Through:				
Florida State University		20278	115,560	(R)
Adoption Opportunities	93.652			
Direct			\$ 284,905	
Foster Care - Title IV-E	93.658			
Direct			\$ 86,576,129	
Adoption Assistance	93.659			
Direct			\$ 38,929,233	
Social Services Block Grant	93.667			
Direct			\$ 59,136,089	
Child Abuse and Neglect State Grants	93.669			
Direct			\$ 1,045,353	
Through:				
County of Fulton		40008	29,084	(R)
Total Child Abuse and Neglect State Grants			\$ 1,074,437	
Family Violence Prevention and Services / Grants for Battered Women's Shelters - Grants to States and Indian Tribes	93.671			
Direct			\$ 2,325,657	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Health and Human Services, U.S. Department of</b>				
Chafee Foster Care Independence Program Direct	93.674		\$ 3,796,972	
State Children's Insurance Program Direct	93.767		\$ 253,568,743	
Medicare - Supplementary Medical Insurance Direct	93.774		\$ 11,607,511	
State Medicaid Fraud Control Units (MC) Direct	93.775		\$ 3,101,490	
State Survey and Certification of Health Care Providers and Suppliers (MC) Direct	93.777		\$ 7,344,861	
Medical Assistance Program (MC) Direct	93.778		\$ 4,728,283,272	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations Direct	93.779		\$ 934,251	
Alternatives to Psychiatric Residential Treatment Facilities for Children Direct	93.789		\$ 35,658	
Medicaid Transformation Grants Direct	93.793		\$ 19,732	
Health Careers Opportunity Program Direct	93.822		\$ 120,228	
Heart and Vascular Diseases Research Direct	93.837		\$ 2,549,559 (R)	
Through:				
Cornell University		67101	164,118 (R)	
Emory University		67128	78,567 (R)	
Emory University		1 R01 HL71136-01	-8,527 (R)	
Emory University		5 R21 HL089120-01A1	7,431 (R)	
Emory University		1 R01 HL087012-01A1	229,591 (R)	
Emory University		R01 HS073753-01A2	46,215 (R)	
Emory University		5 R01 HL071014-02	53 (R)	
Emory University		1 R01 HL70531-01	66,423 (R)	
Emory University		1 R01 HL70531-02	-39,454 (R)	
Emory University		1 R01 HL083867-01	151,296 (R)	
Emory University		R01 HL07627-01A2	35,497 (R)	
Emory University		1 R01 HL 070531-03	12,861 (R)	
Georgia State University Research Foundation		581845423	61,228 (R)	
Georgia State University Research Foundation		581845423	9,501 (R)	
Johns Hopkins University		1 R21 HL082860-01A2	157,720 (R)	
Medical College of Georgia Research Institute		96-666-8691	9,082,270 (R)	
Medical University of South Carolina		N01-HV-28281	122,840 (R)	
University of Texas Southwestern Medical Center at Dallas		NA	6,634 (R)	
Total Heart and Vascular Diseases Research			\$ 12,733,823	
Lung Diseases Research Direct	93.838		\$ 2,292 (R)	
Through:				
Johns Hopkins University		R01 HL080725-05A1	-12,721 (R)	
Medical College of Georgia Research Institute		96-666-8691	1,984,812 (R)	
Total Lung Diseases Research			\$ 1,974,383	
Blood Diseases and Resources Research Direct	93.839		\$ 523,489 (R)	
Through:				
Albert Einstein College of Medicine		5 U54-HL070994-05	15,693 (R)	
Boston Medical Center		5 U54 HL070819-05	54,922 (R)	
Georgia State University Research Foundation		581845423	10,045 (R)	
Medical College of Georgia Research Institute		96-666-8691	555,790 (R)	
University of California		1 U54 GM069338-01	474,875 (R)	
Total Blood Diseases and Resources Research			\$ 1,634,814	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Health and Human Services, U.S. Department of</b>				
Arthritis, Musculoskeletal and Skin Diseases Research	93.846			
Direct			\$ 730,736 (R)	
Through:				
Georgia State University Research Foundation		581845423	286,663 (R)	
Medical College of Georgia Research Institute		96-666-8691	720,572 (R)	
University of Rochester		1 R01 AR051469-01	15,175 (R)	
Total Arthritis, Musculoskeletal and Skin Diseases Research			\$ 1,753,146	
Diabetes, Endocrinology and Metabolism Research	93.847			
Direct			\$ 2,378,338 (R)	
Through:				
Medical College of Georgia Research Institute		96-666-8691	6,065,352 (R)	
Medical College of Georgia Research Institute		96-666-8691	249,833	
Total Diabetes, Endocrinology and Metabolism Research			\$ 8,693,523	
Digestive Diseases and Nutrition Research	93.848			
Direct			\$ 427,365 (R)	
Through:				
Georgia State University Research Foundation		581845423	656,752 (R)	
Medical College of Georgia Research Institute		96-666-8691	511,604 (R)	
University of Toledo		20321	19,271 (R)	
Total Digestive Diseases and Nutrition Research			\$ 1,614,992	
Kidney Diseases, Urology and Hematology Research	93.849			
Direct			\$ 251,018 (R)	
Through:				
Medical College of Georgia Research Institute		96-666-8691	1,002,240 (R)	
Total Kidney Diseases, Urology and Hematology Research			\$ 1,253,258	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			
Direct			\$ 863,275 (R)	
Through:				
Drexel University		NIH R01 NS048844	120,581 (R)	
Emory University		1 R01 NS053822-01A2	66,372 (R)	
Emory University		5 R01 NS039852	46,274 (R)	
Emory University		1 R21 NS053801-01	42,818 (R)	
Georgia State University Research Foundation		581845423	95,073 (R)	
Georgia State University Research Foundation		581845423	20,695	
Johns Hopkins University		1 R01 NS037747	39,570 (R)	
Louisiana State University		R 01 NS054281-01	123,111 (R)	
Medical College of Georgia Research Institute		96-666-8691	3,046,026 (R)	
Medical College of South Carolina		20305	-5,039 (R)	
Neural Signals Inc		2 R44 DC007050-02	35,953 (R)	
University of Pennsylvania		2-R01-NS-041811-06	76,002 (R)	
University of Pennsylvania		R01-NS048598-01A2	-1,085 (R)	
Wright State University		1 R01 NS049324-01A2	5,727 (R)	
Total Extramural Research Programs in the Neurosciences and Neurological Disorders			\$ 4,575,353	
Allergy, Immunology and Transplantation Research	93.855			
Direct			\$ 7,967,670 (R)	
Through:				
Alnylam Pharmaceuticals		61440	80,156 (R)	
Auburn University		20288	529,693 (R)	
Emory University		5 U19 AI061728-03	4,443 (R)	
Emory University		5-41255-G01	750,663 (R)	
Red Hutchison Cancer Research Center		R01 AI055343-05	11,672 (R)	
Georgia State University Research Foundation		581845423	697,452 (R)	
Medical College of Georgia Research Institute		96-666-8691	1,730,672 (R)	
Oklahoma State University		20248	32,046 (R)	
University of Alabama At Birmingham		20317	9,182 (R)	
University of Minnesota		20225	33,944 (R)	
University of North Carolina		3-U54-AI-057157-06S	22,285 (R)	
University of South Florida		20294	2,493 (R)	
University of Wisconsin		20232	29,186 (R)	
Total Allergy, Immunology and Transplantation Research			\$ 11,901,557	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Health and Human Services, U.S. Department of</b>				
Microbiology and Infectious Diseases Research	93.856			
Direct			\$ 1,575,669 (R)	
Through:				
Brandeis University		67628	101,237 (R)	
Duke University		5 U54 AI057157-05	93,166 (R)	
Emory University		67128	1,022,500 (R)	
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	181,426 (R)	
Georgia State University Research Foundation		581845423	475,275 (R)	
Medical College of Georgia Research Institute		96-666-8691	1,004,227 (R)	
Ohio State Research Foundation		69211	88,658 (R)	
University of Alabama		20216	104,141 (R)	
University of Memphis		20420	82,253 (R)	
University of Pennsylvania		20240	94,350 (R)	
Zuchem		2 R44AI65127-02	79,015 (R)	
Total Microbiology and Infectious Diseases Research			\$ 4,901,917	
Biomedical Research and Research Training	93.859			
Direct			\$ 9,435,955 (R)	
Through:				
ADA Technologies, Inc.		68544	9,504 (R)	
Emory University		5 R25 GM064315-03	-88 (R)	
Emory University		1 P20 GM072069-01	190,380 (R)	
Emory University		U01 HL080711	268,325 (R)	
Emory University		1 U01 HL08071101	587,560 (R)	
Georgia State University Research Foundation		581845423	1,180,098 (R)	
Medical College of Georgia Research Institute		96-666-8691	663,407 (R)	
Medical University of South Carolina		2 R01 GM063265-05A1	-146 (R)	
Rensselaer Polytechnic Institute		68780	47,855 (R)	
Rutgers University		20214	244,663 (R)	
Scripps Research Institute		5 P41 RR012255-11	72,494 (R)	
Scripps Research Institute		2 P41 RR012255-10	17,516 (R)	
University of Florida		R01 DK047858	36,571 (R)	
University of Illinois		20221	51,720 (R)	
University of Michigan		3395	71,551 (R)	
University of Washington		20292	12,787 (R)	
University of Wisconsin		1 R01 GM076274-01A1	55,601 (R)	
Total Biomedical Research and Research Training			\$ 12,945,753	
Child Health and Human Development Extramural Research	93.865			
Direct			\$ 1,382,449 (R)	
Through:				
Emory University		2 P01 HD032571-11A1	323,520 (R)	
Georgia State University Research Foundation		581845423	1,562,122 (R)	
Medical College of Georgia Research Institute		96-666-8691	2,273,183 (R)	
University of Texas		20231	66,469 (R)	
Yale University		68116	21,105 (R)	
Total Child Health and Human Development Extramural Research			\$ 5,628,848	
Aging Research	93.866			
Direct			\$ 3,461,097 (R)	
Through:				
Emory University		1 P01 AG026423-01A2	58,899 (R)	
Georgia State University Research Foundation		581845423	104,249 (R)	
Medical College of Georgia Research Institute		96-666-8691	559,207 (R)	
Wake Forest University		68059	39,150 (R)	
Total Aging Research			\$ 4,222,602	
Vision Research	93.867			
Direct			\$ 1,618,955 (R)	
Through:				
Emory University		1 U01 HL 080711-01	636,086 (R)	
Emory University		5 P01 HL 075209-20	-1,306 (R)	
Georgia State University Research Foundation		581845423	430,005 (R)	
Medical College of Georgia Research Institute		96-666-8691	1,847,440 (R)	
Total Vision Research			\$ 4,531,180	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Health and Human Services, U.S. Department of</b>				
Grants For Training in Primary Care Medicine and Dentistry	93.884			
Direct			\$ 305,077	
Through:				
Medical College of Georgia Research Foundation		96-666-8691	281,430	
Tallahassee Memorial Healthcare Foundation		69838	4,685	(R)
Total Grants For Training in Primary Care Medicine and Dentistry			\$ 591,192	
Health Care and Other Facilities	93.887			
Direct			\$ 593,156	
Through:				
Georgia State University Research Foundation		581845423	342,229	(R)
Total Health Care and Other Facilities			\$ 935,385	
Specially Selected Health Projects	93.888			
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	11,411	
National Bioterrorism Hospital Preparedness Program	93.889			
Direct			\$ 15,154,677	
Rural Health Care Services Outreach and Rural Health Network Development Program	93.912			
Through:				
Georgia Southern University Research and Service Foundation, Inc.		063828383 DUNS	-5,681	
Georgia State University Research Foundation		581845423	1,408,777	(R)
Total Rural Health Care Services Outreach and Rural Health Network Development Program			\$ 1,403,096	
Grants to States for Operation of Offices of Rural Health	93.913			
Direct			\$ 178,302	
HIV Care Formula Grants	93.917			
Direct			\$ 39,124,381	
Through:				
Richmond County Health Department		Ryan White Title II	408,708	
Total HIV Care Formula Grants			\$ 39,533,089	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918			
Direct			\$ 1,147,660	
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919			
Direct			\$ -10,939	
Scholarships for Health Professions Students from Disadvantaged Backgrounds (SFA)	93.925			
Direct			\$ 316,833	
Healthy Start Initiative	93.926			
Direct			\$ 825,685	
Native Hawaiian Health Systems	93.932			
Through:				
Georgia State University Research Foundation		581845423	18,876	(R)
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938			
Direct			\$ 34,385	
HIV Prevention Activities - Health Department Based	93.940			
Direct			\$ 7,787,234	(R)
HIV Demonstration, Research, Public and Professional Education Projects	93.941			
Through:				
Georgia State University Research Foundation		581845423	75,358	(R)
Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944			
Direct		581845423	1,419,285	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Health and Human Services, U.S. Department of</b>				
Assistance Programs for Chronic Disease Prevention and Control Direct	93.945		\$ 586,949	
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs Direct	93.946		\$ 104,405	
Block Grants for Community Mental Health Services Direct	93.958		\$ 9,850,106	
Block Grants for Prevention and Treatment of Substance Abuse Direct	93.959		\$ 45,046,284 (R)	
Through:				
Georgia State University Research Foundation		581845423	196,246 (R)	
Medical College of Georgia Research Institute		96-666-8691	57,230	
Total Block Grants for Prevention and Treatment of Substance Abuse			\$ 45,299,760	
Health Administration Traineeships Program Through:	93.962			
Augusta Richmond County Community Partnership		HS-2007-07	\$ 4,000	
Preventive Health Services - Sexually Transmitted Diseases Control Grants Direct	93.977		\$ 5,322,275	\$ 417,098
Preventive Health Services - Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants Through:	93.978			
Georgia State University Research Foundation		581845423	\$ 7,005 (R)	
Mental Health Disaster Assistance and Emergency Mental Health Direct	93.982		\$ 399,292	
Cooperative Agreements for State - Based Diabetes Control Programs and Evaluation of Surveillance Systems Direct	93.988		\$ 281,111 (R)	
International Research and Research Training Direct	93.989		\$ 1,760,975 (R)	
Through:				
Emory University		67128	16,557 (R)	
Total International Research and Research Training			\$ 1,777,532	
Preventive Health and Health Services Block Grant Direct	93.991		\$ 3,351,933	\$ 50,112
Maternal and Child Health Services Block Grant to the States Direct	93.994		\$ 16,659,414	
Bioterrorism Training and Curriculum Development Program Through:	93.996			
Medical College of Georgia Research Institute		96-666-8691	\$ 1,565,190	
Other Federal Assistance Direct	93.XXX		\$ 2,167,972 (R)	\$ 446 (3)
Through:				
Georgia State University Research Foundation		581845423	78,021	
Georgia State University Research Foundation		581845423	1,206,925 (R)	
Indiana University		20235	15,579 (R)	
Massachusetts Institute of Tech		68196	80,199 (R)	
Medical College of Georgia Research Institute		96-666-8691	206,154	
Medical College of Georgia Research Institute		96-666-8691	272,672 (R)	
Medical University of South Carolina		20305	26,026 (R)	
Science Applications International Corp		61126	311,369 (R)	
SE Center Emerging Bio Threats		68670	257 (R)	
University of Pennsylvania		20240	733,587 (R)	
University of South Carolina		20243	186,135 (R)	
Virtually Better, Inc.		61338	54,958 (R)	
Total Other Federal Assistance			\$ 5,339,854	\$ 446
<b>AGENCY TOTAL</b>			\$ 6,280,149,776	\$ 92,230,499



# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
<b>Corporation for National and Community Service</b>				
Retired and Senior Volunteer Program	94.002			
Through:				
Georgia State University Research Foundation		581845423	\$ 54,118	
State Commissions	94.003			
Direct			\$ 259,802	
Learn and Serve America - School and Community Based Programs	94.004			
Direct			\$ 459,860	
Learn and Serve America - Higher Education	94.005			
Through:				
America Association of Community Colleges		03L44DC001	\$ 4,782	
Georgia State University Research Foundation		581845423	321 (R)	
Morehouse School of Medicine		58-1438873	5,716	
Temple University		231365971	25	
Total Learn and Serve America - Higher Education			\$ 10,844	
AmeriCorps	94.006			
Direct			\$ 3,191,178	
Through:				
Jumpstart for Young Children		JS-SITE #55	52,918 (R)	
Total AmeriCorps			\$ 3,244,096	
Planning and Program Development Grants	94.007			
Direct			\$ 115,961	
Training and Technical Assistance	94.009			
Direct			\$ 99,130	
Foster Grandparent Program (FGCC)	94.011			
Through:				
Georgia State University Research Foundation		581845423	\$ 154,194	
Volunteers in Service to America	94.013			
Direct			\$ 40,129	
Senior Companion Program (FGCC)	94.016			
Direct			\$ 178,527	
Through:				
Georgia State University Research Foundation		581845423	70,418	
Total Senior Companion Program (FGCC)			\$ 248,945	
<b>AGENCY TOTAL</b>			<b>\$ 4,687,079</b>	
<b>Social Security Administration</b>				
Social Security - Disability Insurance (DI/SSI)	96.001			
Direct			\$ 50,894,139	
Social Security - Retirement Insurance	96.002			
Direct			\$ 32,637 (R)	
Social Security Research - and Demonstration	96.007			
Through:				
Boston College		10-P-98361-1-04	\$ 29,677 (R)	
Social Security - Work Incentives Planning and Assistance Program	96.008			
Direct			\$ 169,114	
<b>AGENCY TOTAL</b>			<b>\$ 51,125,567</b>	
<b>Homeland Security, U.S. Department of</b>				
Pilot Demonstration or Earmarked Projects	97.001			
Through:				
Dartmouth College		2006-CS-001-000001-	\$ 152,182 (R)	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Homeland Security, U.S. Department of</b>				
Research Projects	97.002			
Through:				
Agiltron Inc		NBCHC070140	\$ 26,250 (R)	
University of Illinois		UIMAEPDM05/ILLINOIS	1,978 (R)	
Total Research Projects			\$ 28,228	
State Domestic Preparedness Equipment Support Program (HLS)	97.004			
Direct			\$ 3,868,092	
Urban Areas Security Initiative (HLS)	97.008			
Direct			\$ 10,422,469	
Boating Safety Financial Assistance	97.012			
Direct			\$ 1,812,020	
Pre-Disaster Mitigation (PDM) Competitive Grants	97.017			
Direct			\$ 6,487,756	
Community Assistance Program - State Support Services Element (CAP-SSSE)	97.023			
Direct			\$ 113,729	
Flood Mitigation Assistance	97.029			
Direct			\$ 1,375,706	
Crisis Counseling	97.032			
Direct			\$ 216,683	
Disaster Unemployment Assistance	97.034			
Direct			\$ 37,416	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
Direct			\$ 17,449,744	
Hazard Mitigation Grant	97.039			
Direct			\$ 788,128	
National Dam Safety Program	97.041			
Direct			\$ 268,401	
Emergency Management Performance Grants (HLS)	97.042			
Direct			\$ 4,291,753	
Assistance to Firefighters Grant	97.044			
Direct			\$ 93,050	
Cooperating Technical Partners	97.045			
Direct			\$ 3,889,188	
Fire Management Assistance Grant	97.046			
Direct			\$ 411,343	
Pre-Disaster Mitigation	97.047			
Direct			\$ 23,609	
Citizen Corps (HLS)	97.053			
Direct			\$ 192,034	
Port Security Grant Program	97.056			
Direct			\$ 77,093 (R)	
Through:				
Florida State University		186000-520-017353	13,864	
Total Port Security Grant Program			\$ 90,957	
Centers for Homeland Security	97.061			
Through:				
University of Minnesota		2007-ST-061-000003	\$ 132,246 (R)	
Scholars and Fellows	97.062			
Direct			\$ 9,741	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Homeland Security, U.S. Department of</b>				
Pre-Disaster Mitigation Disaster Resistant Universities Direct	97.063		\$ 27,385	
Map Modernization Management Support Direct	97.070		\$ 245,655	
Metropolitan Medical Response System (HLS) Direct	97.071		\$ 39,101	
State Homeland Security Program (SHSP) (HLS) Direct	97.073		\$ 10,950,969	
Law Enforcement Terrorism Prevention Program (LETPP) (HLS) Direct	97.074		\$ 8,827,204	
Rail and Transit Security Grant Program Direct	97.075		\$ 2,518,932 (R)	
Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Technologies Direct	97.077		\$ 1,416	
Buffer Zone Protection Plan (BZPP) Direct	97.078		\$ 165,550	
Homeland Security Biowatch Program Direct	97.091		\$ 178,935	
Repetitive Flood Claims Direct	97.092		\$ 74,866	
Homeland Security, Research, Testing, Evaluation and Demonstration of Technologies Direct	97.108		\$ 353,653 (R)	
Other Federal Assistance Direct	97.XXX		\$ 5,277	
<b>AGENCY TOTAL</b>			<b>\$ 75,543,418</b>	
<b>International Development, U.S. Agency for</b>				
USAID Foreign Assistance for Programs Overseas Direct	98.001		\$ 178,523 (R)	
Through:				
Academy for Education Development Inc.		EPP-A-00-04-00002-0	55,135 (R)	
Georgia State University Research Foundation		581845423	3,048 (R)	
SRA International Inc		IRA-E-00-06-00012-0	18,328 (R)	
Virginia Polytechnic Institute		20233	3,752 (R)	
Virginia Polytechnic Institute		546001805	7,722 (R)	
Total USAID Foreign Assistance for Programs Overseas			\$ 266,508	
Cooperative Development Program (CDP) Through:	98.002			
Wildlife Conservation Society		68210	\$ 36,241 (R)	
USAID Development Partnerships for University Cooperation and Development Direct	98.012		\$ 441,617 (R)	
Through:				
Higher Education For Development		68864	97,413 (R)	
Oregon State University		20250	42,436 (R)	
Total USAID Development Partnerships for University Cooperation and Development			\$ 581,466	

# State of Georgia

## Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>International Development, U.S. Agency for</b>				
Other Federal Assistance				
Direct	98.XXX		\$ 1,277,367 (R)	
Through:				
American Council on Education		68711	70,359 (R)	
Georgia State University Research Foundation		581845423	54,249	
Georgia State University Research Foundation		581845423	480,811 (R)	
Higher Education for Development		68864	41,224 (R)	
Oregon State University		20250	3,029 (R)	
Washington State University		20236	10,198 (R)	
Total Other Federal Assistance			\$ 1,937,237	
<b>AGENCY TOTAL</b>			\$ 2,821,452	
<b>GRAND TOTAL EXPENDITURES of FEDERAL AWARDS</b>			\$ 13,386,401,260	\$ 3,182,439,174

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**Notes to the Schedule of  
Expenditures of Federal Awards**

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# State of Georgia

## Notes to the Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

### **PURPOSE OF THE SCHEDULE**

Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, requires a Schedule of Expenditures of Federal Awards reflecting total expenditures for each Federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA).

### **SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The accompanying schedule includes all Federal financial assistance programs administered by the State of Georgia for the fiscal year ended June 30, 2008. Refer to Appendix "A" for a comprehensive listing of organizational units comprising the financial reporting entity.

**Basis of Presentation** - The accompanying *Schedule of Expenditures of Federal Awards* is presented in accordance with OMB Circular A-133.

- A. **Federal Financial Assistance** - Pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133, Federal financial assistance is defined as assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursements for services rendered to individuals for Medicare and Medicaid.
- B. **Major Programs** - The Single Audit Act Amendments of 1996 and OMB Circular A-133 established a risk-based approach for defining Major Federal financial assistance programs. This approach resulted in 21 of 39 Type A programs and 3 Type B programs being selected as major programs for the State of Georgia. For the fiscal year ended June 30, 2008, a Type A program is defined as any Federal program which exceeded \$30,000,000 in expenditures/disbursements/issuances.

**Basis of Accounting** - *The Schedule of Expenditures of Federal Awards* is prepared using the basis of accounting as described in Note 1 of the CAFR.

**Expenditures and Expenses** - When a state organization receives Federal monies and redistributes such monies to another state organization, (i.e. pass-through funds from the primary recipient to a subrecipient), the Federal assistance is reported in both the primary recipient's and the subrecipient's accounts. This method of reporting expenditures/expenses results in an overstatement of the aggregate level of Federal expenditures/expenses. Therefore, net Federal expenditures/expenses are reported in the schedule.

### **OTHER**

*The following Notes provide additional pertinent information regarding Federal financial assistance.*

- (1) Expenditures for these programs include Federal, State and/or other funds. In addition, the Unemployment Insurance program (CFDA NO. 17.225) includes Federal expenditures of \$91,213,803 and State expenditures of \$730,042,435.
- (2) During the fiscal year ended June 30, 2008, the Georgia Department of Human Resources received \$77,752,513 in cash rebates from infant formula manufacturers on sales of formula to participants in the Special Supplemental Food Program for Women, Infants, and Children (WIC) (CFDA NO. 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246 & PL (Public Law) 108-265 as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC benefit costs. The rebate contract allowed the Department to serve approximately 138,416 additional persons per month during fiscal year 2008.
- (3) Federally funded loan programs incurred the following current fiscal year monetary and nonmonetary expenditures:



# State of Georgia

## Notes to the Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

CFDA NUMBER	GRANT PROGRAM	MONETARY			NONMONETARY	
		NEW FEDERAL CAPITAL	FEDERAL REIMBURSEMENT	ADMINISTRATIVE COSTS	LOANS OUTSTANDING AT 06/30/08	LOANS MADE DURING YEAR
23.011	Appalachian State Research, Technical Assistance, and Demonstration Projects (*)	\$ 0	\$ 0	\$ 15,839	\$ 1,509,248	\$ 200,000
66.458	Capitalization Grants for Clean Water State Revolving Funds (*)	\$ 18,096,210	\$ 18,518,758	\$ 1,146,396	\$ 539,016,340	\$ 5,920,000
66.468	Capitalization Grants for Drinking Water State Revolving Funds (*)	\$ 23,116,000	\$ 18,801,363	\$ 764,922	\$ 102,410,358	\$ 9,532,760
84.032	Federal Family Education Loans (*)	\$ 0	\$ 6,854,761	\$ 0	\$ 1,118,589,647	\$ 298,017,629
84.038	Federal Perkins Loan Program (*)	\$ 35,273	\$ 579,260	\$ 108,055	\$ 38,981,962	\$ 6,473,762
84.226	Income Contingent Loan Program	\$ 0	\$ 0	\$ 0	\$ 51,915	\$ 0
93.342	Health Professions Student Loans, including Primary Care Loans/Loans for Disadvantaged Students	\$ 0	\$ 0	\$ 0	\$ 326,171	\$ 18,178
93.364	Nursing Student Loans (*)	\$ 0	\$ 0	\$ 0	\$ 917,279	\$ 223,796
93.OFA	Other Federal Assistance (*)	\$ 0	\$ 0	\$ 0	\$ 446	\$ 0

(\*) The monetary amount for this program does not equal the monetary amount shown in the schedule. Numerous grants and contracts have been combined for reporting purposes.

- (4) Certain programs administered by the Federal government provide goods and services to organizational units of the State in lieu of monetary assistance. An analysis, for major programs, of nonmonetary assistance and the values assigned by the Federal government during the year under review is reflected below:

CFDA NO.	
10.550	The reported amounts, incurred by two organizational units of the State, represent the U. S. Department of Agriculture assigned value of the donated commodities for the Food Distribution Program.
10.551	The Federal government provides food stamps to low-income households. The amount of food stamp benefits a household receives depends on the household's size and financial circumstances. The Georgia Department of Human Resources is responsible for determining eligibility for participation in the Food Stamp Program. For the year under review, the total value of food stamp benefits distributed as approved by the Department was \$1,220,285,738.
93.268	The amount reported represents the U. S. Department of Health and Human Services assigned value of immunizations for vaccine-preventable diseases to eligible individuals.

# State of Georgia

## Notes to the Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2008

- (5) Cluster programs are detailed on the *Schedule of Cluster Programs* and identified as follows on the *Schedule of Expenditures of Federal Awards*:

(AC)	Aging
(CCDF)	Child Care and Development Fund
(CNC)	Child Nutrition
(DI/SSI)	Disability Insurance/SSI
(EFAC)	Emergency Food Assistance
(ESC)	Employment Services
(ESCC)	CDBG - Entitlement and (HUD-Administered) Small Cities
(FTC)	Federal Transit
(FWC)	Fish and Wildlife
(FSC)	Food Stamp
(FGCC)	Foster Grandparent/Senior Companion
(HPCC)	Highway Planning and Construction
(HSC)	Highway Safety
(HLS)	Homeland Security
(MC)	Medicaid
(R)	Research and Development
(SEC)	Special Education
(SFA)	Student Financial Aid
(TRIO)	TRIO
(WIA)	WIA

- (6) Circular A-133 requires the *Schedule of Expenditures of Federal Awards* to include, to the extent practical, an identification of the total amount provided to subrecipients from each Federal program. Major programs expenditures presented in the schedule account for approximately 60% of total Federal expenditures for the State of Georgia. Provided below is the amount of major programs awards provided to subrecipients:

<u>CFDA NUMBER</u>	<u>GRANT PROGRAM</u>	<u>AMOUNT PROVIDED TO SUBRECIPIENTS</u>
14.239	Home Investment Partnerships Program	\$ 4,475,795
66.458	Capitalization Grants for Clean Water State Revolving Funds	16,870,362
66.468	Capitalization Grants for Drinking Water State Revolving Funds	14,644,386
81.119	State Energy Program Special Projects	467,764
84.287	Twenty – First Century Community Learning Centers	30,139,012
	Research and Development Cluster	18,971,015
	Total	<u>\$ 85,568,334</u>

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## **Schedule of Cluster Programs**

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# State of Georgia

## Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Aging Cluster (AC)</b>			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 10,416,545	
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	15,059,197	
Nutrition Services Incentive Program	93.053	2,090,467	
<b>Total Aging Cluster (AC)</b>		<u>\$ 27,566,209</u>	
<b>Child Care and Development Fund Cluster (CCDF)</b>			
Child Care and Development Block Grant	93.575	\$ 29,371,689	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	93,302,885	
<b>Total Child Care and Development Fund Cluster (CCDF)</b>		<u>\$ 122,674,574</u>	
<b>Child Nutrition Cluster (CNC)</b>			
School Breakfast Program	10.553	\$ 117,712,496	
National School Lunch Program	10.555	438,665,454	
Special Milk Program for Children	10.556	21,243	
Summer Food Service Program for Children	10.559	46,340	
<b>Total Child Nutrition Cluster (CNC)</b>		<u>\$ 556,445,533</u>	
<b>Disability Insurance/SSI Cluster (DI/SSI)</b>			
Social Security - Disability Insurance	96.001	\$ 50,894,139	
<b>Emergency Food Assistance Cluster (EFAC)</b>			
Emergency Food Assistance Program (Administrative Costs)	10.568	\$ 1,634,745	
<b>Employment Services Cluster (ESC)</b>			
Employment Service / Wagner - Peyser Funded Activities	17.207	\$ 22,338,401	
Disabled Veterans' Outreach Program (DVOP)	17.801	2,498,988	
Local Veterans' Employment Representative Program	17.804	2,285,247	
<b>Total Employment Services Cluster (ESC)</b>		<u>\$ 27,122,636</u>	
<b>CDBG - Entitlement and (HUD-Administered) Small Cities Cluster (ESCC)</b>			
Community Development Block Grants / Small Cities Program	14.219	\$ 22,000	
<b>Federal Transit Cluster (FTC)</b>			
Federal Transit - Capital Investment Grants	20.500	\$ 4,213,423	
Federal Transit - Formula Grants	20.507	9,598,546	
<b>Total Federal Transit Cluster (FTC)</b>		<u>\$ 13,811,969</u>	
<b>Fish and Wildlife Cluster (FWC)</b>			
Sport Fish Restoration	15.605	\$ 7,387,216	
Wildlife Restoration	15.611	7,957,161	
<b>Total Fish and Wildlife Cluster (FWC)</b>		<u>\$ 15,344,377</u>	
<b>Food Stamp Cluster (FSC)</b>			
Food Stamps	10.551		\$ 1,220,285,738
State Administrative Matching Grants for Food Stamp Program	10.561	\$ 66,758,443	
<b>Total Food Stamp Cluster (FSC)</b>		<u>\$ 66,758,443</u>	<u>\$ 1,220,285,738</u>
<b>Foster Grandparent / Senior Companion Cluster (FGCC)</b>			
Foster Grandparent Program	94.011	\$ 154,194	
Senior Companion Program	94.016	248,945	
<b>Total Foster Grandparent / Senior Companion Cluster (FGCC)</b>		<u>\$ 403,139</u>	
<b>Highway Planning and Construction Cluster (HPCC)</b>			
Highway Planning and Construction	20.205	\$ 2,299,763,705	

# State of Georgia

## Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Highway Safety Cluster (HSC)</b>			
State and Community Highway Safety	20.600	\$ 8,061,916	
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	3,453,441	
Occupant Protection	20.602	1,515,720	
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	163,461	
Safety Belt Performance Grants	20.609	439,171	
Incentive Grant Program to Increase Motorcyclist Safety	20.612	131,616	
<b>Total Highway Safety Cluster (HSC)</b>		<b>\$ 13,765,325</b>	
<b>Homeland Security Cluster (HLS)</b>			
Urban Areas Security Initiative	97.008	\$ 10,422,469	
Citizen Corps	97.053	192,034	
Metropolitan Medical Response System	97.071	39,101	
State Homeland Security Program (SHSP)	97.073	10,950,969	
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	8,827,204	
<b>Total Homeland Security Cluster (HLS)</b>		<b>\$ 30,431,777</b>	
<b>Medicaid Cluster (MC)</b>			
State Medicaid Fraud Control Units	93.775	\$ 3,101,490	
State Survey and Certification of Health Care Providers and Suppliers	93.777	7,344,861	
Medical Assistance Program	93.778	4,728,283,272	
<b>Total Medicaid Cluster (MC)</b>		<b>\$ 4,738,729,623</b>	
<b>Research and Development Cluster (R)</b>			
Other Federal Assistance	08.OFA	\$ 10,009	
Other Federal Assistance	09.OFA	194,779	
Agricultural Research - Basic and Applied Research	10.001	1,761,202	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	304,509	
Wildlife Services	10.028	735,407	
Bioenergy Program	10.078	462	
Federal-State Marketing Improvement Program	10.156	189	
Grants for Agricultural Research, Special Research Grants	10.200	4,387,307	
Cooperative Forestry Research	10.202	848,957	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	7,660,133	
Grants for Agricultural Research Grants - Competitive Research Grants	10.206	3,620,936	
Animal Health and Disease Research	10.207	116,121	
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	76,213	
Small Business Innovation Research	10.212	20,712	
Sustainable Agriculture Research and Education	10.215	277,411	
1890 Institution Capacity Building Grants	10.216	3,181,542	
Higher Education Challenge Grants	10.217	160,616	
Biotechnology Risk Assessment Research	10.219	47,892	
Higher Education Multicultural Scholars Program	10.220	46,703	
Fund for Rural America - Research, Education, and Extension Activities	10.224	1,030	
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226	12,990	
Agricultural and Rural Economic Research	10.250	17,370	
Initiative for Future Agriculture and Food Systems	10.302	2,940	
Integrated Programs	10.303	1,527,111	
Homeland Security - Agricultural	10.304	327,476	
International Science and Education Grants	10.305	29,584	
Rural Community Development Initiative	10.446	33,753	
Crop Insurance	10.450	224,528	
Community Outreach and Assistance Partnership Program	10.455	7,476	
Commodity Partnerships for Risk Management Education	10.457	1,086	
Meat, Poultry, and Egg Products Inspection	10.477	2,498	
Cooperative Extension Service	10.500	11,601,997	

# State of Georgia

## Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Research and Development Cluster (R) (continued)</b>			
Team Nutrition Grants	10.574	\$ 49,143	
Food for Progress	10.606	3,194	
Forestry Research	10.652	652,712	
Cooperative Forestry Assistance	10.664	418,402	
National Forest-Dependent Rural Communities	10.670	45,922	
Rural Development, Forestry, and Communities	10.672	49,356	
Urban and Community Forestry Program	10.675	98,942	
Forest Health Protection	10.680	112,356	
Technical Assistance and Training Grants	10.761	5,000	
Solid Waste Management Grants	10.762	13,531	
Rural Business Opportunity Grants	10.773	15,792	
Rural Telephone Bank Loans	10.852	24,093	
Distance Learning and Telemedicine Loans and Grant	10.855	71,354	
Soil and Water Conservation	10.902	13,758	
Soil Survey	10.903	5,915	
Snow Survey and Water Supply Forecasting	10.907	-387	
Environmental Quality Incentives Program	10.912	122,371	
Technical Agricultural Assistance	10.960	346,605	
Scientific Cooperation and Research	10.961	9,443	
International Training - Foreign Participant	10.962	24,400	
Other Federal Assistance	10.OFA	882,864	
ITA Special Projects	11.113	820,700	
Economic Development - Technical Assistance	11.303	165,699	
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	11.400	126,943	
Sea Grant Support	11.417	2,269,799	
Coastal Zone Management Estuarine Research Reserves	11.420	36,510	
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	14,041	
Undersea Research	11.430	247,732	
Climate and Atmospheric Research	11.431	1,090,294	
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	11.432	63,807	
Pacific Fisheries Data Program	11.437	1,057	
Unallied Industry Projects	11.452	5,208	
Special Oceanic and Atmospheric Projects	11.460	286,778	
Coastal Services Center	11.473	192,860	
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	11.478	55,895	
National Standard Reference Data System	11.603	58,201	
Measurement and Engineering Research and Standards	11.609	205,613	
National Center for Standards and Certification Information	11.610	20,940	
Advanced Technology Program	11.612	124,659	
Other Federal Assistance	11.OFA	15,407	
Aquatic Plant Control	12.100	5,115,741	
Basic and Applied Scientific Research	12.300	27,299,740	
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	37,952	
Military Construction, National Guard	12.400	67,535	
Military Medical Research and Development	12.420	1,796,972	
Basic Scientific Research	12.431	33,805,247	
Basic, Applied, and Advanced Research in Science and Engineering	12.630	2,652,726	
Air Force Defense Research Sciences Program	12.800	69,491,587	
Mathematical Sciences Grants Program	12.901	220,786	
Research and Technology Development	12.910	28,021,761	
Other Federal Assistance	12.OFA	1,079,903	
Housing Counseling Assistance Program	14.169	16,422	
Community Development Block Grants/Special Purpose Grants	14.225	9,878	
Demolition and Revitalization of Severely Distressed Public Housing	14.866	60,214	



# State of Georgia

## Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Research and Development Cluster (R) (continued)</b>			
Healthy Homes Technical Studies Grants	14.906	\$ -387	
Other Federal Assistance	14.OFA	294,132	
Recreation Resource Management	15.225	9,932	
Water Desalination Research and Development Program	15.506	284,639	
Fish and Wildlife Management Assistance	15.608	12,970	
Cooperative Endangered Species Conservation Fund	15.615	3,241	
Multi-State Conservation Grants	15.628	35,041	
Coastal Program	15.630	43,728	
Conservation Grants Private Stewardship for Imperiled Species	15.632	21,404	
State Wildlife Grants	15.634	31,308	
Neotropical Migratory Bird Conservation	15.635	25,507	
Research Grants (Generic)	15.650	3,040	
Assistance to State Water Resources Research Institutes	15.805	107,836	
Earthquake Hazards Reduction Program	15.807	13,945	
U.S. Geological Survey - Research and Data Acquisition	15.808	1,166,532	
National Spatial Data Infrastructure Cooperative Agreements Program	15.809	5,963	
Cooperative Research Units Program	15.812	439,384	
Historic Preservation Fund Grants-In-Aid	15.904	1,884	
Technical Preservation Services	15.915	6,978	
Outdoor Recreation - Acquisition, Development and Planning	15.916	38,677	
Save America's Treasures	15.929	11,547	
Other Federal Assistance	15.OFA	252,088	
National Institute of Justice Research, Evaluation and Development	16.560	1,224,534	
Edward Byrne Memorial State and Local Law Enforcement Assistance	16.580	2,680,203	
Community Prosecution and Project Safe Neighborhoods	16.609	83,985	
Regional Information Sharing Systems	16.610	285,692	
Public Safety Partnership and Community Policing Grants	16.710	37,805	
Capital Case Litigation	16.746	38,566	
Other Financial Assistance	16.OFA	52,649	
Occupational Safety and Health - Susan Harwood Training Grants	17.502	185,467	
Consultation Agreements	17.504	1,172,694	
Disability Employment Policy Development	17.720	7,873	
Other Federal Assistance	17.OFA	60,034	
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	19.300	3,531	
Educational Exchange - Graduate Students	19.400	219,716	
Educational Exchange - Teachers from Secondary and Post Secondary and School Administrators	19.408	-10	
Professional Exchanges - Annual Open Grant	19.415	64,023	
International Education Training and Research	19.430	20,177	
Middle East Partnership Initiative (MEPI)	19.500	51,146	
Other Federal Assistance	19.OFA	114,391	
Airport Improvement Program	20.106	768	
Aviation Research Grants	20.108	74,238	
Air Transportation Centers of Excellence	20.109	1,761,355	
Highway Research and Development Program	20.200	635,633	
Highway Planning and Construction	20.205	59,180	
Recreational Trails Program	20.219	22,205	
Transit Planning and Research	20.514	55,977	
State and Community Highway Safety	20.600	9,857	
University Transportation Centers Program	20.701	327,782	
University Transportation Centers	20.760	22,140	
Other Federal Assistance	20.OFA	41,154	
Appalachian State Research, Technical Assistance, and Demonstration Projects	23.011	36,215	
Federal Citizen Information Center	39.009	2,071,614	
Other Federal Assistance	39.OFA	10,582	

# State of Georgia

## Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Research and Development Cluster (R) (continued)</b>			
Semiconductor Chip Protection Service	42.008	\$ 37,491	
Aerospace Education Services Program	43.001	1,458,272	
Technology Transfer	43.002	17,533,238	
Other Federal Assistance	43.OFA	1,571,258	
Promotion of the Arts - Grants to Organizations and Individuals	45.024	343,691	
Promotion of the Humanities - Professional Development	45.163	191,113	
Museum Assessment Program	45.302	1,026	
National Leadership Grants	45.312	250,604	
Other Federal Assistance	45.OFA	36,070	
Engineering Grants	47.041	19,374,105	
Mathematical and Physical Sciences	47.049	11,483,290	
Geosciences	47.050	7,393,388	
Computer and Information Science and Engineering	47.070	11,099,468	
Biological Sciences	47.074	14,464,415	
Social, Behavioral, and Economic Sciences	47.075	5,063,036	
Education and Human Resources	47.076	7,244,847	
Polar Programs	47.078	629,792	
International Science and Engineering (OISE)	47.079	313,939	
Office of Cyberinfrastructure	47.080	28,888	
Other Federal Assistance	47.OFA	2,353,390	
Small Business Development Center	59.037	2,348,790	
Other Federal Assistance	59.OFA	13,917	
Smithsonian Institution	60.OFA	116,503	
Other Federal Assistance	62.OFA	2	
Sharing Specialized Medical Resources	64.018	26,672	
Vocational Rehabilitation for Disabled Veterans	64.116	178,236	
Other Federal Assistance	64.OFA	51,810	
Surveys, Studies, Research Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	63,306	
Water Pollution Control State and Interstate Program Support	66.419	5,000	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436	20,987	
Nonpoint Source Implementation Grants	66.460	16,060	
Regional Wetland Program Development Grants	66.461	11,785	
Science To Achieve Results (STAR) Research Program	66.509	2,094,848	
Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development	66.510	4,365	
Office of Research and Development Consolidated Research	66.511	176,723	
Science to Achieve Results (STAR) Fellowship Program	66.514	78,020	
Environmental Protection Consolidated Grants - Program Support	66.600	-943	
Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach	66.716	60,936	
Hazardous Waste Management State Program Support	66.801	13,101	
Brownfields Training, Research, and Technical Assistance and Cooperative Agreements Grants	66.814	13,125	
Environmental Education and Training Program	66.950	7,597	
Environmental Education Grants	66.951	4,248	
Other Federal Assistance	66.OFA	85,968	
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	276,859	
Used Energy-Related Laboratory Equipment Grants	81.022	9,854	
Inventions and Innovations	81.036	200,642	
Office of Science Financial Assistance Program	81.049	13,948,647	
University Coal Research	81.057	173,573	
Office of Scientific and Technical Information	81.064	191,543	
Regional Biomass Energy Programs	81.079	154,380	
Conservation Research and Development	81.086	1,232,825	
Renewable Energy Research and Development	81.087	2,517,380	

# State of Georgia

## Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Research and Development Cluster (R) (continued)</b>			
Fossil Energy Research and Development	81.089	\$ 497,759	
Office of Environmental Cleanup and Acceleration	81.104	766	
Defense Nuclear Nonproliferation Research	81.113	77,042	
University Reactor Infrastructure and Education Support	81.114	130,668	
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	232,912	
Nuclear Energy Research, Development and Demonstration	81.121	599,115	
Federal Loan Guarantees for Innovative Energy Technologies	81.126	10,860	
Other Federal Assistance	81.OFA	2,973,610	
Undergraduate International Studies and Foreign Language Programs	84.016	148,111	
International Research and Studies	84.017	226,604	
Overseas Programs - Group Projects Abroad	84.021	43,456	
Overseas Programs - Doctoral Dissertation	84.022	3,225	
TRIO - Student Support Services	84.042	305,214	
TRIO - Talent Search	84.044	241,586	
TRIO - Upward Bound	84.047	595,452	
Fund for the Improvement of Postsecondary Education	84.116	587,336	
National Institute on Disability and Rehabilitation Research	84.133	2,087,394	
Javits Fellowships	84.170	46,079	
Graduate Assistance in Areas of National Need	84.200	5,927	
Fund for the Improvement of Education	84.215	25,360	
Centers for International Business Education	84.220	313,480	
Education Research, Development and Dissemination	84.305	58,879	
Research in Special Education	84.324	2,842,161	
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	695,835	
Special Education - Technology and Media Services for Individuals with Disabilities	84.327	23,911	
Special Education Studies and Evaluations	84.329	70,689	
Teacher Quality Enhancement Grants	84.336	16,638	
Preparing Tomorrow's Teachers to Use Technology	84.342	237,959	
Transition to Teaching	84.350	712,987	
Arts in Education	84.351	60,583	
Early Reading First	84.359	9,737	
Improving Teacher Quality State Grants	84.367	2,205,351	
Special Education Technical Assistance On State Data Collection	84.373	22,764	
National Writing Project	84.928	97,423	
Other Federal Assistance	84.OFA	171,968	
Unsolicited Grant Program	91.001	7,911	
Solicited Grant Program	91.002	8,220	
Community-Based Abstinence Education (CBAE)	93.010	22,084	
Innovations in Applied Public Health Research	93.061	1,420,837	
Centers for Genomics and Public Health	93.063	85,526	
Food and Drug Administration - Research	93.103	158,444	
Maternal and Child Health Federal Consolidated Programs	93.110	39,029	
Biological Response to Environmental Health Hazards	93.113	1,040,715	
Oral Diseases and Disorders Research	93.121	1,196,637	
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	20,594	
Injury Prevention and Control Research and State and Community Based Programs	93.136	695,823	
NIEHS Superfund Hazardous Substances - Basic Research and Education	93.143	8,789	
Health Program for Toxic Substances and Disease Registry	93.161	513,881	
Human Genome Research	93.172	417,440	
Research Related to Deafness and Communication Disorders	93.173	964,053	
Human Health Studies - Applied Research and Development	93.206	34,204	
Research and Training in Complementary and Alternative Medicine	93.213	385,064	

# State of Georgia

## Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Research and Development Cluster (R) (continued)</b>			
Research on Healthcare Costs, Quality and Outcomes	93.226	\$ 447,231	
Consolidated Knowledge Development & Application (KD&A) Program	93.230	2,229	
Epidemiology Cooperative Agreements	93.231	206,741	
Policy Research and Evaluation Grants	93.239	19,841	
Mental Health Research Grants	93.242	2,672,835	
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	412,248	
Occupational Safety and Health Program	93.262	330,685	
Alcohol National Research Service Awards for Research Training	93.272	402,429	
Alcohol Research Programs	93.273	1,189,578	
Drug Abuse and Addiction Research Programs	93.279	4,920,813	
National Institutes of Health Loan Repayment Program for Clinical Researchers	93.280	42,039	
Mental Health Research Career / Scientist Development Awards	93.281	11,252	
Mental Health National Research Service Awards for Research Training	93.282	46,006	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	998,353	
Discovery And Applied Research For Technological Innovations to Improve Human Health	93.286	5,987,236	
Comparative Medicine	93.306	32,778	
Minority Health and Health Disparities Research	93.307	647,206	
Advanced Education Nursing Traineeships	93.358	12,373	
Nursing Research	93.361	384,391	
National Center for Research Resources	93.389	3,882,190	
Academic Research Enhancement Award	93.390	236,879	
Cancer Construction	93.392	56,492	
Cancer Cause and Prevention Research	93.393	841,187	
Cancer Detection and Diagnosis Research	93.394	761,754	
Cancer Treatment Research	93.395	1,576,657	
Cancer Biology Research	93.396	2,194,924	
Cancer Control	93.399	1,604,917	
Refugee and Entrant Assistance - Wilson/Fish Program	93.583	9,163	
State Court Improvement Program	93.586	24,500	
Family Violence Prevention and Services/Grants for Battered Women's Shelters - Discretionary Grants	93.592	1,361,904	
Welfare Reform Research, Evaluations and National Studies	93.595	703,712	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	687	
Head Start	93.600	15,225	
University Centers for Excellence in Developmental Disabilities Education, Research and Service	93.632	445,055	
Childrens Justice Grants to States	93.643	119,592	
Social Services Research and Demonstration	93.647	115,560	
Child Abuse and Neglect State Grants	93.669	29,084	
Heart and Vascular Diseases Research	93.837	12,724,322	
Lung Diseases Research	93.838	1,974,383	
Blood Diseases and Resources Research	93.839	1,634,814	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	1,713,574	
Diabetes, Endocrinology and Metabolism Research	93.847	8,443,690	
Digestive Diseases and Nutrition Research	93.848	1,614,992	
Kidney Diseases, Urology and Hematology Research	93.849	1,253,258	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	4,503,583	
Allergy, Immunology and Transplantation Research	93.855	11,901,557	
Microbiology and Infectious Diseases Research	93.856	4,901,917	
Biomedical Research and Research Training	93.859	12,654,076	
Child Health and Human Development Extramural Research	93.865	5,628,848	

# State of Georgia

## Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>Research and Development Cluster (R) (continued)</b>			
Aging Research	93.866	\$ 4,098,736	
Vision Research	93.867	4,531,180	
Grants For Training in Primary Care Medicine and Dentistry	93.884	4,685	
Health Care and Other Facilities	93.887	342,229	
Rural Health Care Services Outreach and Rural Health Network Development Program	93.912	182,588	
Native Hawaiian Health Systems	93.932	18,876	
HIV Prevention Activities - Health Department Based	93.940	117,231	
HIV Demonstration, Research, Public and Professional Education Projects	93.941	75,358	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	202,714	
Preventive Health Services - Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978	7,005	
Cooperative Agreements for State - Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	12,247	
International Research and Research Training	93.989	1,777,532	
Other Federal Assistance	93.OFA	3,604,738	
Learn and Serve America - Higher Education	94.005	321	
AmeriCorps	94.006	52,918	
Social Security - Retirement Insurance	96.002	32,637	
Social Security - Research and Demonstration	96.007	29,677	
Pilot Demonstration or Earmarked Projects	97.001	152,182	
Research Projects	97.002	28,228	
Port Security Grant Program	97.056	77,093	
Centers for Homeland Security	97.061	132,246	
Rail and Transit Security Grant Program	97.075	260	
Homeland Security, Research, Testing, Evaluation and Demonstration of Technologies	97.108	338,274	
USAID Foreign Assistance for Programs Overseas	98.001	266,508	
Cooperative Development Program (CDP)	98.002	36,241	
USAID Development Partnerships for University Cooperation and Development	98.012	581,466	
Other Federal Assistance	98.OFA	1,869,487	
<b>Total Research and Development Cluster (R)</b>		<u>\$ 498,558,466</u>	
<b>Special Education Cluster (SEC)</b>			
Special Education - Grants to States	84.027	\$ 293,560,143	
Special Education - Preschool Grants	84.173	9,593,015	
<b>Total Special Education Cluster (SEC)</b>		<u>\$ 303,153,158</u>	
<b>Student Financial Aid Cluster (SFA)</b>			
Federal Supplemental Educational Opportunity Grants	84.007	\$ 9,232,693	
Federal Family Education Loans	84.032	40,940,467	\$ 1,118,589,647
Federal Work-Study Program	84.033	9,426,848	
Federal Perkins Loan Program - Federal Capital Contributions	84.038	783,418	38,981,962
Federal Pell Grant Program	84.063	282,654,505	
Federal Direct Student Loans	84.268	394,032,190	
Academic Competitiveness Grants	84.375	6,708,603	
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	3,534,550	
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342		326,171
Nursing Student Loans	93.364		917,279
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	316,833	
<b>Total Student Financial Aid Cluster (SFA)</b>		<u>\$ 747,630,107</u>	<u>1,158,815,059</u>

# State of Georgia

## Schedule of Cluster Programs

For the Fiscal Year Ended June 30, 2008

	<u>CFDA NUMBER</u>	<u>MONETARY EXPENDITURES</u>	<u>NONMONETARY EXPENDITURES</u>
<b>TRIO Cluster (TRIO)</b>			
TRIO - Student Support Services	84.042	\$ 1,761,653	
TRIO - Talent Search	84.044	1,710,265	
TRIO - Upward Bound	84.047	4,355,895	
TRIO - Educational Opportunity Centers	84.066	531,207	
TRIO - McNair Post-Baccalaureate Achievement	84.217	<u>634,570</u>	
<b>Total TRIO Cluster (TRIO)</b>		<u>\$ 8,993,590</u>	
<b>WIA Cluster (WIA)</b>			
WIA Adult Program	17.258	\$ 30,583,245	
WIA Youth Activities	17.259	19,559,776	
WIA Dislocated Workers	17.260	<u>41,523,728</u>	
<b>Total WIA Cluster (WIA)</b>		<u>\$ 91,666,749</u>	

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## **Auditee's Responses**

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**Summary Schedule of Prior Year  
Findings and Questioned Costs**

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# State of Georgia

## Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### FINDING CONTROL

<u>NUMBER</u>	<u>AUDITEE RESPONSE / STATUS</u>	<u>COMMENTS</u>
<u>PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS</u>		
<i>State Accounting Office (Statewide)</i>		
FS-407-05-01	Previously Reported Corrective Action Implemented	
FS-407-05-02	Partially Resolved	See Comments Page 233
FS-SW-06-01	Partially Resolved	See Comments Page 233
FS-SW-07-01	Partially Resolved	See Comments Page 233
FS-SW-07-02	Previously Reported Corrective Action Implemented	
FS-SW-07-03	Previously Reported Corrective Action Implemented	
FS-SW-07-04	Previously Reported Corrective Action Implemented	
FS-SW-07-05	Partially Resolved	See Comments Page 233
FS-SW-07-06	Previously Reported Corrective Action Implemented	
<i>Department of Defense</i>		
FS-411-06-01	Previously Reported Corrective Action Implemented	
FS-411-07-01	Previously Reported Corrective Action Implemented	
<i>Department of Education</i>		
FS-414-04-02	Partially Resolved	See Comments Page 233
FS-414-04-04	Partially Resolved	See Comments Page 234
FS-414-05-01	Partially Resolved	See Comments Page 234
FS-414-05-02	Partially Resolved	See Comments Page 234
FS-414-06-03	Partially Resolved	See Comments Page 234
FS-414-07-01	Partially Resolved	See Comments Page 235
FS-414-07-02	Partially Resolved	See Comments Page 235
FS-414-07-03	Unresolved	See Comments Page 235
<i>*Department of Community Health</i>		
FS-419-06-01	Significantly Differing Corrective Action Implemented	
FS-419-06-03	Previously Reported Corrective Action Implemented	
FS-419-07-01	Previously Reported Corrective Action Implemented	
FS-419-07-02	Previously Reported Corrective Action Implemented	
<i>Department of Human Resources</i>		
FS-427-06-01	Further Action Not Warranted	
FS-427-06-02	Further Action Not Warranted	
FS-427-06-03	Further Action Not Warranted	
FS-427-06-05	Further Action Not Warranted	
FS-427-07-01	Partially Resolved	See Comments Page 238
FS-427-07-02	Partially Resolved	See Comments Page 238
FS-427-07-03	Unresolved	See Comments Page 238
FS-427-07-04	Partially Resolved	See Comments Page 239
FS-427-07-05	Previously Reported Corrective Action Implemented	
FS-427-07-06	Partially Resolved	See Comments Page 239
<i>Judicial Council</i>		
FS-434-07-01	Previously Reported Corrective Action Implemented	
FS-434-07-02	Previously Reported Corrective Action Implemented	
FS-434-07-03	Unresolved	See Comments Page 242
FS-434-07-04	Previously Reported Corrective Action Implemented	
<i>Superior Courts</i>		
FS-436-07-01	Partially Resolved	See Comments Page 243

# State of Georgia

## Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### FINDING CONTROL

<u>NUMBER</u>	<u>AUDITEE RESPONSE / STATUS</u>	<u>COMMENTS</u>
<i>Department of Labor</i>		
FS-440-06-02	Further Action Not Warranted	
FS-440-06-03	Further Action Not Warranted	
FS-440-06-04	Further Action Not Warranted	
FS-440-06-05	Further Action Not Warranted	
FS-440-06-06	Further Action Not Warranted	
FS-440-07-01	Unresolved	See Comments Page 243
FS-440-07-02	Previously Reported Corrective Action Implemented	
FS-440-07-03	Partially Resolved	See Comments Page 243
FS-440-07-04	Partially Resolved	See Comments Page 243
FS-440-07-05	Previously Reported Corrective Action Implemented	
FS-440-07-06	Unresolved	See Comments Page 244
FS-440-07-07	Unresolved	See Comments Page 244
<i>Department of Juvenile Justice</i>		
FS-461-07-01	Unresolved	See Comments Page 244
<i>Department of Natural Resources</i>		
FS-462-05-01	Further Action Not Warranted	
FS-462-05-02	Further Action Not Warranted	
FS-462-05-03	Further Action Not Warranted	
FS-462-06-01	Further Action Not Warranted	
FS-462-06-02	Further Action Not Warranted	
FS-462-06-03	Further Action Not Warranted	
FS-462-07-01	Partially Resolved	See Comments Page 245
FS-462-07-02	Partially Resolved	See Comments Page 245
FS-462-07-03	Partially Resolved	See Comments Page 245
FS-462-07-04	Partially Resolved	See Comments Page 245
FS-462-07-05	Previously Reported Corrective Action Implemented	
<i>Department of Public Safety</i>		
FS-466-07-01	Previously Reported Corrective Action Implemented	
FS-466-07-02	Previously Reported Corrective Action Implemented	
FS-466-07-03	Previously Reported Corrective Action Implemented	
FS-466-07-04	Previously Reported Corrective Action Implemented	
FS-466-07-05	Previously Reported Corrective Action Implemented	
<i>Department of Corrections</i>		
FS-467-05-01	Partially Resolved	See Comments Page 245
FS-467-05-02	Partially Resolved	See Comments Page 246
FS-467-06-01	Previously Reported Corrective Action Implemented	
<i>Board of Regents of the University System of Georgia</i>		
FS-472-07-01	Previously Reported Corrective Action Implemented	
<i>Department of Revenue</i>		
FS-474-04-05	Partially Resolved	See Comments Page 246
FS-474-05-02	Further Action Not Warranted	
FS-474-06-01	Partially Resolved	See Comments Page 246
FS-474-06-02	Unresolved	See Comments Page 246
FS-474-06-04	Unresolved	See Comments Page 246
FS-474-06-06	Partially Resolved	See Comments Page 246
FS-474-06-07	Previously Reported Corrective Action Implemented	
FS-474-07-01	Unresolved	See Comments Page 247
FS-474-07-02	Unresolved	See Comments Page 247

# State of Georgia

## Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### FINDING CONTROL

<u>NUMBER</u>	<u>AUDITEE RESPONSE / STATUS</u>	<u>COMMENTS</u>
<i>Department of Revenue (continued)</i>		
FS-474-07-03	Partially Resolved	See Comments Page 247
FS-474-07-04	Partially Resolved	See Comments Page 247
FS-474-07-05	Previously Reported Corrective Action Implemented	
FS-474-07-06	Previously Reported Corrective Action Implemented	
FS-474-07-07	Partially Resolved	See Comments Page 247
FS-474-07-08	Partially Resolved	See Comments Page 248
<i>Secretary of State</i>		
FS-478-07-01	Partially Resolved	See Comments Page 248
<i>Department of Transportation</i>		
FS-484-07-01	Previously Reported Corrective Action Implemented	
FS-484-07-02	Unresolved	See Comments Page 248
<i>Department of Veterans Service</i>		
FS-488-06-01	Previously Reported Corrective Action Implemented	
FS-488-06-02	Previously Reported Corrective Action Implemented	
FS-488-07-01	Unresolved	See Comments Page 248
FS-488-07-02	Unresolved	See Comments Page 248
FS-488-07-03	Previously Reported Corrective Action Implemented	
FS-488-07-04	Previously Reported Corrective Action Implemented	
FS-488-07-05	Previously Reported Corrective Action Implemented	
<i>Georgia Public Defender Standards Council</i>		
FS-492-07-01	Previously Reported Corrective Action Implemented	
<i>Georgia Institute of Technology</i>		
FS-503-07-01	Previously Reported Corrective Action Implemented	
FS-503-07-02	Previously Reported Corrective Action Implemented	
FS-503-07-03	Previously Reported Corrective Action Implemented	
FS-503-07-04	Previously Reported Corrective Action Implemented	
FS-503-07-05	Further Action Not Warranted	
FS-503-07-06	Further Action Not Warranted	
FS-503-07-07	Previously Reported Corrective Action Implemented	
<i>Georgia State University</i>		
FS-509-05-04	Partially Resolved	See Comments Page 249
FS-509-06-01	Previously Reported Corrective Action Implemented	
FS-509-07-01	Previously Reported Corrective Action Implemented	
<i>Medical College of Georgia</i>		
FS-512-07-01	Further Action Not Warranted	
<i>Albany State University</i>		
FS-521-06-01	Further Action Not Warranted	
FS-521-06-03	Further Action Not Warranted	
FS-521-06-04	Further Action Not Warranted	
FS-521-07-01	Unresolved	See Comments Page 249
FS-521-07-02	Previously Reported Corrective Action Implemented	
FS-521-07-03	Further Action Not Warranted	
FS-521-07-04	Unresolved	See Comments Page 249
FS-521-07-05	Further Action Not Warranted	
FS-521-07-06	Previously Reported Corrective Action Implemented	
<i>Augusta State University</i>		
FS-527-07-02	Partially Resolved	See Comments Page 250

# State of Georgia

## Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### FINDING CONTROL

<u>NUMBER</u>	<u>AUDITEE RESPONSE / STATUS</u>	<u>COMMENTS</u>
<i>Fort Valley State University</i>		
FS-533-06-01	Further Action Not Warranted	
FS-533-07-01	Unresolved	See Comments Page 250
FS-533-07-02	Further Action Not Warranted	
<i>Georgia Southwestern State University</i>		
FS-542-07-01	Previously Reported Corrective Action Implemented	
<i>Savannah State University</i>		
FS-548-06-01	Previously Reported Corrective Action Implemented	
FS-548-06-04	Further Action Not Warranted	
FS-548-06-06	Further Action Not Warranted	
FS-548-06-08	Previously Reported Corrective Action Implemented	
FS-548-07-01	Partially Resolved	See Comments Page 251
FS-548-07-02	Partially Resolved	See Comments Page 251
FS-548-07-03	Previously Reported Corrective Action Implemented	
FS-548-07-04	Unresolved	See Comments Page 251
FS-548-07-05	Previously Reported Corrective Action Implemented	
FS-548-07-06	Previously Reported Corrective Action Implemented	
FS-548-07-07	Partially Resolved	See Comments Page 251
<i>Georgia Perimeter College</i>		
FS-571-06-01	Unresolved	See Comments Page 251
<i>Georgia Highlands College</i>		
FS-573-06-02	Previously Reported Corrective Action Implemented	
FS-573-07-01	Previously Reported Corrective Action Implemented	
FS-573-07-02	Previously Reported Corrective Action Implemented	
FS-573-07-03	Previously Reported Corrective Action Implemented	
<i>South Georgia College</i>		
FS-587-06-01	Previously Reported Corrective Action Implemented	
<i>Georgia Military College</i>		
FS-590-07-01	Previously Reported Corrective Action Implemented	
<i>Georgia Aviation and Technical College</i>		
FS-816-07-01	Further Action Not Warranted	
FS-816-07-02	Further Action Not Warranted	
<i>East Central Technical College</i>		
FS-825-05-01	Previously Reported Corrective Action Implemented	
<i>DeKalb Technical College</i>		
FS-830-05-01	Previously Reported Corrective Action Implemented	
FS-830-05-03	Previously Reported Corrective Action Implemented	
FS-830-07-01	Previously Reported Corrective Action Implemented	
FS-830-07-02	Partially Resolved	See Comments Page 252
FS-830-07-03	Previously Reported Corrective Action Implemented	
FS-830-07-04	Previously Reported Corrective Action Implemented	
FS-830-07-05	Partially Resolved	See Comments Page 252
<i>Savannah Technical College</i>		
FS-841-06-01	Partially Resolved	See Comments Page 252
<i>South Georgia Technical College</i>		
FS-842-07-01	Further Action Not Warranted	
FS-842-07-02	Previously Reported Corrective Action Implemented	

# State of Georgia

## Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### FINDING CONTROL

<u>NUMBER</u>	<u>AUDITEE RESPONSE / STATUS</u>	<u>COMMENTS</u>
<i>Flint River Technical College</i>		
FS-847-06-01	Previously Reported Corrective Action Implemented	
FS-847-07-01	Previously Reported Corrective Action Implemented	
<i>Georgia Building Authority - Regular</i>		
FS-900-07-01	Unresolved	See Comments Page 252
<i>* Georgia Higher Education Assistance Corporation</i>		
FS-918-06-01	Further Action Not Warranted	
FS-918-06-02	Previously Reported Corrective Action Implemented	
FS-918-06-03	Previously Reported Corrective Action Implemented	
<i>Georgia Agricultural Exposition Authority</i>		
FS-926-06-01	Further Action Not Warranted	
FS-926-07-01	Unresolved	See Comments Page 253
FS-926-07-02	Previously Reported Corrective Action Implemented	
<i>*State Road and Tollway Authority</i>		
FS-927-07-01	Previously Reported Corrective Action Implemented	
FS-927-07-02	Previously Reported Corrective Action Implemented	
FS-927-07-03	Previously Reported Corrective Action Implemented	
FS-927-07-04	Previously Reported Corrective Action Implemented	
FS-927-07-05	Previously Reported Corrective Action Implemented	
<i>Georgia Agrirama Development Authority</i>		
FS-940-06-01	Further Action Not Warranted	
FS-940-07-01	Previously Reported Corrective Action Implemented	
FS-940-07-02	Partially Resolved	See Comments Page 253
<i>Judges of the Probate Courts Retirement Fund of Georgia</i>		
FS-949-06-01	Previously Reported Corrective Action Implemented	
<i>*Georgia Tech Research Corporation</i>		
FS-5036-07-01	Previously Reported Corrective Action Implemented	
FS-5036-07-02	Previously Reported Corrective Action Implemented	
FS-5036-07-03	Previously Reported Corrective Action Implemented	
<i>*Medical College of Georgia Health, Incorporated</i>		
FS-5124-07-01	Previously Reported Corrective Action Implemented	See Comments Page 253
<i>Metropolitan Regional Educational Service Agency</i>		
FS-8564-07-01	Partially Resolved	See Comments Page 254
FS-8564-07-02	Partially Resolved	See Comments Page 254
<i>Chattahoochee-Flint Regional Educational Service Agency</i>		
FS-8724-07-01	Previously Reported Corrective Action Implemented	
<i>Southwest Georgia Regional Educational Service Agency</i>		
FS-8844-07-01	Previously Reported Corrective Action Implemented	

### PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

#### *Department of Administrative Services*

FA-403-07-01 Further Action Not Warranted

#### *Department of Education*

FA-414-02-02 Further Action Not Warranted

FA-414-04-01 Partially Resolved

See Comments Page 235

FA-414-05-03 Previously Reported Corrective Action Implemented

FA-414-06-01 Further Action Not Warranted

FA-414-06-02 Previously Reported Corrective Action Implemented



# State of Georgia

## Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### FINDING CONTROL

<u>NUMBER</u>	<u>AUDITEE RESPONSE / STATUS</u>	<u>COMMENTS</u>
<i>Department of Education (continued)</i>		
FA-414-07-01	Partially Resolved	See Comments Page 235
FA-414-07-02	Partially Resolved	See Comments Page 236
FA-414-07-03	Unresolved	See Comments Page 236
FA-414-07-04	Partially Resolved	See Comments Page 237
FA-414-07-05	Further Action Not Warranted	
FA-414-07-06	Partially Resolved	See Comments Page 237
<i>* Department of Community Health</i>		
FA-419-06-01	Further Action Not Warranted	
FA-419-06-03	Further Action Not Warranted	
FA-419-06-04	Further Action Not Warranted	
FA-419-07-01	Previously Reported Corrective Action Implemented	
FA-419-07-02	Unresolved	See Comments Page 237
FA-419-07-03	Previously Reported Corrective Action Implemented	
FA-419-07-04	Previously Reported Corrective Action Implemented	
<i>State Forestry Commission</i>		
FA-420-07-01	Previously Reported Corrective Action Implemented	
FA-420-07-02	Unresolved	See Comments Page 238
<i>Department of Human Resources</i>		
FA-427-06-01	Further Action Not Warranted	
FA-427-06-02	Further Action Not Warranted	
FA-427-06-03	Further Action Not Warranted	
FA-427-06-04	Further Action Not Warranted	
FA-427-06-05	Further Action Not Warranted	
FA-427-06-06	Further Action Not Warranted	
FA-427-06-07	Further Action Not Warranted	
FA-427-07-01	Previously Reported Corrective Action Implemented	
FA-427-07-02	Unresolved	See Comments Page 239
FA-427-07-03	Partially Resolved	See Comments Page 239
FA-427-07-04	Unresolved	See Comments Page 239
FA-427-07-05	Unresolved	See Comments Page 240
FA-427-07-06	Previously Reported Corrective Action Implemented	
FA-427-07-07	Unresolved	See Comments Page 240
FA-427-07-08	Partially Resolved	See Comments Page 240
FA-427-07-09	Unresolved	See Comments Page 240
FA-427-07-10	Unresolved	See Comments Page 241
FA-427-07-11	Previously Reported Corrective Action Implemented	
FA-427-07-12	Unresolved	See Comments Page 241
FA-427-07-13	Unresolved	See Comments Page 241
FA-427-07-14	Partially Resolved	See Comments Page 242
FA-427-07-15	Previously Reported Corrective Action Implemented	
FA-427-07-16	Partially Resolved	See Comments Page 242
FA-427-07-17	Partially Resolved	See Comments Page 242
FA-427-07-18	Partially Resolved	See Comments Page 242
<i>Community Affairs</i>		
FA-428-06-01	Previously Reported Corrective Action Implemented	
FA-428-07-01	Previously Reported Corrective Action Implemented	

# State of Georgia

## Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

### FINDING CONTROL

<u>NUMBER</u>	<u>AUDITEE RESPONSE / STATUS</u>	<u>COMMENTS</u>	
<i>Department of Labor</i>			
FA-440-07-01	Unresolved	See Comments Page 244	
FA-440-07-02	Previously Reported Corrective Action Implemented		
FA-440-07-03	Previously Reported Corrective Action Implemented		
<i>Department of Natural Resources</i>			
FA-462-07-01	Unresolved	See Comments Page 245	
<i>Georgia Institute of Technology</i>			
FA-503-07-01	Previously Reported Corrective Action Implemented	See Comments Page 249	
FA-503-07-02	Partially Resolved		
FA-503-07-03	Previously Reported Corrective Action Implemented		
<i>Albany State University</i>			
FA-521-05-01	Previously Reported Corrective Action Implemented		
FA-521-06-01	Previously Reported Corrective Action Implemented		
FA-521-06-02	Previously Reported Corrective Action Implemented		
FA-521-06-03	Previously Reported Corrective Action Implemented		
FA-521-06-04	Previously Reported Corrective Action Implemented		
FA-521-07-01	Further Action Not Warranted		
FA-521-07-02	Previously Reported Corrective Action Implemented		
FA-521-07-03	Previously Reported Corrective Action Implemented		
FA-521-07-04	Previously Reported Corrective Action Implemented		
<i>Clayton State University</i>			
FA-528-06-02	Previously Reported Corrective Action Implemented		
<i>Fort Valley State University</i>			
FA-533-06-01	Further Action Not Warranted		
<i>Georgia Southern University</i>			
FA-539-07-01	Partially Resolved	See Comments Page 250	
<i>Savannah State University</i>			
FA-548-06-01	Previously Reported Corrective Action Implemented		
FA-548-06-02	Previously Reported Corrective Action Implemented		
FA-548-06-03	Previously Reported Corrective Action Implemented		
FA-548-06-04	Previously Reported Corrective Action Implemented		
FA-548-06-05	Further Action Not Warranted		
FA-548-07-01	Previously Reported Corrective Action Implemented		
FA-548-07-02	Previously Reported Corrective Action Implemented		
FA-548-07-03	Previously Reported Corrective Action Implemented		
FA-548-07-04	Previously Reported Corrective Action Implemented		
FA-548-07-05	Unresolved	See Comments Page 251	
<i>* Georgia Higher Education Assistance Corporation</i>			
FA-918-06-01	Further Action Not Warranted	See Comments Page 253	
FA-918-06-02	Previously Reported Corrective Action Implemented		
FA-918-06-03	Previously Reported Corrective Action Implemented		
FA-918-07-01	Previously Reported Corrective Action Implemented		
FA-918-07-02	Partially Resolved		
FA-918-07-03	Previously Reported Corrective Action Implemented		

\* Audit Follow-up was performed by Other Auditors.

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# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

##### STATE ACCOUNTING OFFICE (STATEWIDE)

Finding Control Number: **FS-407-05-02**

###### CAPITAL ASSETS

###### Inadequate Lease Obligation Records

The Accounting Procedures Manual for the State of Georgia identifies the requirements for classifying a lease as a capital lease. Financial reporting forms completed by all State organizations also include detailed instructions for categorizing lease transactions as either capital or operating, and for supplying the additional information needed for financial reporting, including note disclosure. We will continue to work with agencies to ensure that existing policies, procedures and instructions are effectively implemented.

Finding Control Number: **FS-SW-06-01**

###### BUDGET PREPARATION AND EXECUTION

###### Budgetary Compliance Deficiencies

Discussions regarding budgetary compliance are ongoing. Additional modifications to the SAO PeopleSoft financial information system are scheduled. These modifications, along with planned reporting enhancements and training, are designed to assist State organizations in monitoring their compliance with the Appropriation Act.

Finding Control Number: **FS-SW-07-01**

###### BUDGET PREPARATION AND EXECUTION

###### Budgetary Compliance Deficiencies

A policy document on journal entry documentation was issued on June 15, 2008. Additional guidance and training will be provided to State organizations regarding budgetary compliance.

Finding Control Number: **FS-SW-07-05**

###### EXPENDITURES/LIABILITIES/DISBURSEMENTS

###### CAPITAL ASSETS

###### Deficiencies in Reporting of Operating and Capital Leases

The Accounting Procedures Manual for the State of Georgia identifies the requirements for classifying a lease as a capital lease. Financial reporting forms completed by all State organizations also include detailed instructions for categorizing lease transactions as either capital or operating, and for supplying the additional information needed for financial reporting, including note disclosure. We will continue to work with agencies to ensure that existing policies, procedures and instructions are effectively implemented.

##### DEPARTMENT OF EDUCATION

Finding Control Number: **FS-414-04-02**

###### CAPITAL ASSETS

###### Inadequate Capital Asset Records

During fiscal year 2005 GaDOE converted valued amounts from its previously reported appraised value for buildings to an estimated historical amount. Corrections were also made to in-service and acquisition dates in order for accurate amounts of depreciation to be reflected on the general ledger.

GaDOE plans to have its land appraised, and recorded in the asset management system at an estimated historical cost.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

Finding Control Number: **FS-414-04-04**

EQUIPMENT AND REAL PROPERTY MANAGEMENT

Inadequacies in Operation of Property Management System

GaDOE will follow the State Accounting Office's Asset Management Reconciliation Procedures to reconcile the Department's asset management module (AM) to the general ledger (GL). GaDOE has hired someone who will reconcile and correct differences between AM and GL, and perform the reconciliation monthly. GaDOE expects to begin this process in FY09.

Finding Control Number: **FS-414-05-01**

CAPITAL ASSETS

Inadequacies in Operation of Property Management System

GaDOE will follow the State Accounting Office's Asset Management Reconciliation Procedures to reconcile the Department's asset management module (AM) to the general ledger (GL). GaDOE has hired someone who will reconcile and correct differences between AM and GL, and perform the reconciliation monthly. GaDOE expects to begin this process in FY09.

Finding Control Number: **FS-414-05-02**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Inadequacies in Accounting Procedures

Written procedures have been completed and put into place by GaDOE to document the allocation process. All calculations will be documented from the data obtained from the funding surveys which will be consistently applied to all local school districts. Based on formula allocations, amounts will be pro-rated to agree with the amounts appropriated. GaDOE will work with OPB to explore implementation of electronically retrieved data for implementation of funding surveys for FY10 allocations.

Finding Control Number: **FS-414-06-03**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Inadequacies in Accounting Procedures

Categorical Grant Allocation Rules have been written and were utilized in the FY08 calculations. The Categorical Grant Allocation Rules set forth the details to be utilized by all personnel during the grant allocation process, which in addition should ensure consistent allocations to all of the local school districts.

The old "mapping survey" is being replaced by a funding survey process which will utilize data from the Superintendent's Annual Report. This was part of the change made to Board Rule 160-5-3-.10 (Student Transportation Funding Surveys) which became effective on May 3, 2006. Over the past year, Division personnel have been working with a consultant on the development of the funding survey. In July 2007, a Regular Education funding survey was completed for all school districts in the State. During the last year, Liability Insurance and Bus Bid Tabulations have been computerized and are now submitted electronically by the local school systems in order to provide more timely data being reported to the Department.

GaDOE has reviewed its procedures to ensure that the spreadsheets used in allocating Pupil Transportation funds are accurate. The Department is currently in the process of reviewing the Pupil Transportation allocations based on survey data from the local school districts and the funding provided to ensure a proper distribution of funds.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

Finding Control Number: **FS-414-07-01**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Inadequate Allocation Procedures

GaDOE's Grants Accounting department has begun pulling Board Items applicable to FY08 grants and has been comparing the Board Item spreadsheets documenting allocations to the grant allocation spreadsheets received from the Program Managers. The Grants Accounting department is currently working on specifications to enhance the Grants Accounting Online Reporting System (GAORS) to include edit checks on the list of grants approved and the grants master which will link the Board Item, Consolidated Application, and GAORS.

Finding Control Number: **FS-414-07-02**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Inadequate Allocation Procedures

GaDOE's Grants Accounting department has begun pulling Board Items applicable to FY08 grants and has been comparing the Board Item spreadsheets documenting allocations to the grant allocation spreadsheets received from the Program Managers. The Grants Accounting department is currently working on specifications to enhance the Grants Accounting Online Reporting System (GAORS) to include edit checks on the list of grants approved and the grants master which will link the Board Item, Consolidated Application, and GAORS.

Finding Control Number: **FS-414-07-03**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Inadequate Control Procedures

GaDOE Budget staff is currently working with Special Education staff and Data Collections staff to implement procedures to ensure that allocation spreadsheets are verified for accuracy before allocation is made to sub-recipients.

Finding Control Number: **FA-414-04-01**

CAPITAL ASSETS

Inadequacies in Operation of Property Management System

GaDOE will follow the State Accounting Office's Asset Management Reconciliation Procedures to reconcile the Department's asset management module (AM) to the general ledger (GL). GaDOE has hired someone who will reconcile and correct differences between AM and GL, and perform the reconciliation monthly. GaDOE expects to begin this process in FY09.

Finding Control Number: **FA-414-07-01**

ACTIVITIES ALLOWED OR UNALLOWED

ELIGIBILITY

SUBRECEPIENT MONITORING

Collusion and Management Override of Controls

The GDOE revised the job descriptions for each position to better reflect the needed skill, knowledge, and experience to manage and monitor the 21<sup>st</sup> CCLC program. The project director job announcement has been posted and the Department has begun the interviewing process to select a candidate. Once the project director position is filled, the Department will begin recruitment for the remaining positions. Currently, the Associate Superintendent, Division Director, and three staff members from Parent Outreach are providing technical assistance, data management, budget approvals, and monitoring.

The operations manual for 21<sup>st</sup> CCLC has been completed, and new employees will be trained on the procedures as they are hired.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

The GaDOE submitted a corrective action plan to the U.S. ED on February 28, 2008 and requested feedback. An official letter was received from the U.S. ED on May 23, 2008. In the interim, they determined that only the 2006 – 2007 grantees would have to reapply through an open competition for grant funds. All other grantees were required to submit an amended application and end of year report in order to be eligible for continuation grants. Notice was sent to all grantees impacted by the decision and a technical assistance workshop was held to answer an additional questions.

The GaDOE is currently awaiting on an official decision by USDOE in regards to the questioned cost.

Finding Control Number: **FA-414-07-02**

#### ACTIVITIES ALLOWED OR UNALLOWED ELIGIBILITY

##### SUBRECEPIENT MONITORING

At least two GDOE former employees appear to have used their position for personal gain through contractual arrangements with sub-grantees.

The two employees in question were terminated by GaDOE. This occurrence is currently being reviewed by the Federal Attorney General's Office. In addition, the Superintendent of Schools held a mandatory meeting with all GaDOE employees to review the Department's ethics, conflict of interest, and disclosure policies. While these policies are covered during employee orientation, the meeting was held as a reminder of GaDOE policy, the Governor's Executive Order Establishing a Code of Ethics for Executive Branch Officers and Employees, which was adopted by GaDOE, and statutory Code of Ethics for Government Service. General Counsel was available to answer specific questions and the meeting was video-taped for future reference. Each year GaDOE employees will be reminded of their obligation to file a State Business Transaction Disclosure report. In addition, conflict of interest and disclosure forms must be signed off by all grantees before funds can be released.

Finding Control Number: **FA-414-07-03**

#### SUBRECEPIENT MONITORING

Cash management on-site sub-grantee monitoring procedures used by GaDOE were insufficient.

The GaDOE has implemented the following steps to ensure that 21<sup>st</sup> CCLC grantees are reimbursed only for amounts approved in the grantee's budget:

- 1) The GaDOE Consolidated Application has been upgraded to accept scanned copies of receipts and invoices from grantees.
- 2) The 21<sup>st</sup> CCLC budget analyst receives an alert when grantee invoices have uploaded to the Consolidated Application.
- 3) The budget analyst downloads the invoices and receipts and compares to the line items in the approved budget.
- 4) If expenditures are deemed appropriate based on program use of funds and approved budgets, the request to submit to Grants Accounting for approval is sent to the Division Director. Once approved by the Division Director, a report is provided to the Associate Superintendent.
- 5) If expenditures are deemed inappropriate based on the same as above, a rejection notice is sent to the grantee. The grantee has the option of providing additional documentation to support requests for payments. The approval process would restart if this is the case.
- 6) Once the reimbursement request is approved by Education Support Services, the request is submitted to Grants Accounting.
- 7) Grants Accounting loads the budget amount by sub-grantee from a listing approved by the State Board.
- 8) Reimbursements are made once the approved request is submitted by Education Support Services and amounts are reimbursed up to the budget amounts approved,

Site visits were conducted by various GaDOE 21<sup>st</sup> CCLC staff from July 2007 – January 2008. However, since staff was terminated, site visits have not been performed. Current management is still in the process of interviewing to hire the Education Research and Evaluation Specialists.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

Finding Control Number: FA-414-07-04

##### ACTIVITIES ALLOWED OR UNALLOWED

Reimbursements were made to sub-grantee for improper program expenditures

The GaDOE began an intensive review of general ledgers for 21<sup>st</sup> CCLC grantees that were not local education agencies. To date, as a result of the intensive review, the following funds have been recovered:

Youth Vibe, Inc. = \$7,693.92 for unallowable expenses.

Kids 4 Christ = \$8,507.24 for requesting funds for which there were not expenditures.

Shoot the Hoop = \$2,000 for unallowable expenses for an unapproved summer program.

The review is ongoing and will include a review of the LEA grantees as well. The GaDOE will continue to recoup funds owed as a result of unallowable reimbursements.

In accordance with Education Support Services operation manual, grantees may not continue to receive payments from the GaDOE until all owed funds are repaid. In addition, 21<sup>st</sup> CCLC staff will adhere to Department procedures as described above, therefore, the risks of overpayment and payment for unallowable expenses are greatly reduced.

The GaDOE agrees that additional resources must be allocated to its monitoring function in order to further reduce risks. As mentioned above, one additional program budget analyst will be hired to assist with the review and approval of reimbursements based on the approved budget. In addition, the Department will modify Grants Accounting On-line Reporting (GAORS) to accommodate more competent review and analysis of requested funds compared to allocated funds and approved budgets. The GaDOE will add a fiscal monitoring team to focus solely on monitoring the fiscal component of all grant programs (State and Federal). The fiscal monitoring team will work in tandem with program monitoring to ensure every aspect of grant programs complies with Federal and State laws and regulations.

The GaDOE received two audit reports on two LEA grantees. The Department has requested the two programs to return funds to the GaDOE because the two programs could not document that staff were paid funds from the 21<sup>st</sup> CCLC program appropriately and in accordance with OMB circulars. One LEA grantee has submitted a letter of appeal to Randy Trowell, Associate Superintendent for Finance.

Finding Control Number: FA-414-07-06

##### SUBRECIPIENT MONITORING

Management Decisions on Subrecipient Audit Finding Not Issued Within the Required Time Period.

During FY 2007, GaDOE closed 80% of the audit reports timely. The GaDOE will implement procedures to ensure that audit reports are closed within six months after receipt of the subrecipients's audit report.

#### DEPARTMENT OF COMMUNITY HEALTH

Finding Control Number: FA-419-07-02

##### ELIGIBILITY

Verification and Documentation of Citizenship

The Department of Community Health (DCH) did improve their citizenship verification and documentation monitoring policy for Medicaid member and create more stringent controls over the eligibility process. To date not all cases reviewed from DFCS have the necessary documentation as outlined by policy. However the number of cases lacking citizenship and identity verification has dropped from 156 in December of 2006 to 42 cases lacking citizenship and identity verification in November 2007. It is important to note this does not mean the individuals were not eligible based on Medicaid policy but rather that there was some verification or documentation missing from case records.

As stated in the auditee's response DCH implemented an enhanced monitoring process for Medicaid through the member eligibility process. A random sample of eight hundred and fifty cases is pulled monthly in order to review all points of Medicaid eligibility. All cases to be found lacking documentation or verification are followed up with for correction with the Division of Family and Children Services (DFCS). Monthly meetings are held between DFCS and DCH to discuss eligibility error trending and corrective action as necessary.



# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

DCH has added additional corrective action steps to target individual workers or counties not complying with documentation and verification standards. Those individual counties and workers identified will require specific corrective action measures for improving performance.

This will be an ongoing monitoring activity.

#### FORESTRY COMMISSION

Finding Control Number: **FA-420-07-02**

##### REPORTING

Failure to Submit Accurate Schedule of Expenditures of Federal Awards

At fiscal year-end steps had not yet been properly implemented to change Administrative end of year procedures to ensure all agency Federal Grants and awards are accurately reported on the web portal for State of Georgia's schedule of Federal awards under GAAP actuals and make an end of year reconciliation of sub grantees are properly reported to web portal.

#### DEPARTMENT OF HUMAN RESOURCES

Finding Control Number: **FS-427-07-01**

##### ACCOUNTING CONTROLS (OVERALL)

##### BUDGET PREPARATION/EXECUTION

Program Budgeting Deficiencies

Beginning April 2008, OFS implemented procedures to review monthly reconciliations for all programs relating to State funds for all programs. Supporting documentation accompanies the reconciliation along with clear descriptions of corrective actions required to amend the identified variances. Adjustments are accomplished in a timely manner. Supervisory reviews are in place to approve and review the reconciliations. In addition, quarterly reviews of direct and indirect costs of budgetary compliance have been put into place during the 4th quarter. Revenue projections are included. The DHR Executive Leadership is briefed after each review.

Finding Control Number: **FS-427-07-02**

##### CASH AND CASH EQUIVALENTS

Inadequate Bank Reconciliation Procedures

Internal Controls have been put into place where bank reconciliations are completed on a monthly basis. The format of the monthly bank reconciliation was revised to ensure proper classification of the items identified on the monthly bank reconciliations. Adequate documentation and clear descriptions of corrective actions taken accompanies the bank reconciliation. Supervisory review and approvals are part of the process.

Finding Control Number: **FS-427-07-03**

##### REVENUE/RECEIVABLES/RECEIPTS

Inadequate Procedures Over Cash Draws of Federal Grants

A new cash management system was implemented in April 2008. The revised system includes policies and procedures to address the Finding. The revised system eliminates large amounts on hand at the end of each period. The request to draw funds is conducted daily based upon actual expected daily expenditures. Frequent reconciliations are conducted throughout the month to compare total expenditures to the daily cash draws and all variances are amended. In addition, monthly reconciliations are in place to compare monthly cash disbursements to the monthly draws reflected on the monthly cash receipts journal. Discrepancies are quickly identified and appropriate corrective action is taken to amend any variances. Adequate supporting documentation is maintained to support the differences between the cash draw amounts and the cash management system fund requirements.

# State of Georgia

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## **Auditee's Response**

### **Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008**

#### **AUDITEE'S COMMENTS**

Finding Control Number: **FS-427-07-04**  
REVENUE/RECEIVABLES/RECEIPTS  
GENERAL LEDGER  
Inadequate Accounting Procedures

Policies and procedures have been put into place identifying the Office of Financial Services as the address for the grant Notifications of Award. Various Federal agencies have been notified of the proper address to send the Notifications. Even with the various communications to the Federal agencies there are still occasional letters sent to the wrong address. In addition, the staff in the Revenue Section reviews the balance sheet throughout the month to look for any indication of missing grant awards and will track down the Notifications. In addition, the Federal ASAP website is reviewed for changes in our letter of credit which indicates grant award changes. These procedures will continue to be monitored over the next several months to ensure all agencies have the correct address to send the Notifications.

Finding Control Number: **FS-427-07-06**  
CAPITAL ASSETS  
Inadequate Capital Assets Records - Machinery and Equipment

New procedures were implemented beginning July, 2007. With the implementation of these new procedures, the process used to capture the asset information and load into PeopleSoft was centralized. The DHR Asset Unit now generates all 5111's for all DHR purchases using State and/or Federal funds. This process enables the Asset Unit to more readily determine what is an asset, if it should be capitalized, and to balance with the Trial Balance.

Finding Control Number: **FA-427-07-02**  
ACTIVITIES ALLOWED OR UNALLOWED  
REPORTING  
Failure to Monitor Transfers of TANF Funds  
Temporary Assistance for Needy Families (CFDA 93.558)

Procedures are in place to properly review all transfers of funds to ensure they are properly documented and Federal guidelines are complied with. Reviews procedures are in place at both the Divisional level and within the Office of Financial Services.

Finding Control Number: **FA-427-07-03**  
ALLOWABLE COSTS/COST PRINCIPLES  
Failure to Adhere to Established Policies and Procedures

The allocation worksheets have been implemented and are in place to prevent future errors. Cost centers have been reviewed and one removed to prevent future distributions to it from occurring. The Cost Allocation Plan changes will be submitted at a future date, along with other changes necessary to the plan. The position count is now conducted annually to ensure consistent count throughout the year. Timely personnel action is emphasized to ensure only those staff are included in the RMSS pool.

Finding Control Number: **FA-427-07-04**  
CASH MANAGEMENT  
Failure to Properly Distribute Funds  
Immunization Grants (CFDA 93.268)

A new cash management system was implemented in April 2008. The revised system includes policies and procedures to address the Finding. The revised system eliminates large amounts on hand at the end of each period. The request to draw funds is conducted daily based upon actual expected daily expenditures. Frequent reconciliations are conducted throughout the month to compare total expenditures to the daily cash draws and all variances are amended. In addition, monthly reconciliations are in place to compare monthly cash disbursements to the monthly draws reflected on the monthly cash receipts journal. Discrepancies are quickly identified and appropriate corrective action is taken to amend any variances.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

Adequate supporting documentation is maintained to support the differences between the cash draw amounts and the cash management system fund requirements.

Finding Control Number: **FA-427-07-05**

CASH MANAGEMENT

Failure to Reconcile Cash Management Reports Accurately

See Response to Federal Award Finding FA-427-07-04

Finding Control Number: **FA-427-07-07**

CASH MANAGEMENT

Inadequate Procedures Over Cash Draws of Federal Grants

See Response to Federal Award Finding FA-427-07-04

Finding Control Number: **FA-427-07-08**

ELIGIBILITY

Deficiencies in File Maintenance

Temporary Assistance for Needy Families (CFDA 93.558)

The Division of Family and Children Services has increased scrutiny of the documentation included in eligibility case determination files. Additional supervisory reviews are conducted and staff have received additional training on case file requirements.

Finding Control Number: **FA-427-07-09**

ELIGIBILITY

Failure to Adhere to Established Policies and Procedures

The three business analysts are charged with reviewing 50 cases each per quarter. However, due to the implementation of the Federal Improper Authorization for payment mandate they were redirected to read 276 cases statewide over a four month period that included all the preparation work as well. The final calculation for the error rate was 2.90. After the conclusion of the federally mandated error rate implementation, the business analyst will resume reading their required 50 cases per quarter.

The CAPS Quick Reference Guide has been completed and 15 draft copies have been given to DeKalb County for testing which will conclude July 30, 2008. The Guide will be sent out for printing and statewide distribution in August 2008.

FPS was updated on all audit findings. FPS specialists were asked to research audit cases to determine whether claims should or were established. Confirmation has been received for the three cases that were identified as a claim. As a result of the Improper Authorization process the Case Accuracy Review Guide used by supervisors and FPS was altered so that whatever the Feds consider an error was also an error on the review tool. As a result cases are review at a higher level of accuracy. Needs assessments submitted are reviewed and discussed each quarter and shared with the Education & Training staff. The training program (both DHR and Maximus) has been notified of the 2007 audit deficiencies. Trainers agreed to place emphasis on correct policy application and procedures for child care staff that attend training. Sample cases and test questions were developed to address audit issues. FPS will continue to be advised to review test results, provide coaching and oversight to any student whose scores fall below a specific range. MAXIMUS will offer specialized training sessions based on error trends and other patterns related to improper payments.

Webex training sessions, on reports and certificate issuance, were held between April and May 2008 for all FPS and/or their designee. The policy manual was completely revised, streamlined and redistributed November 2007.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

Finding Control Number: **FA-427-07-10**

##### ELIGIBILITY

Internal Control Deficiencies/Noncompliance with Federal Program Regulations  
Adoption Assistance (CFDA 93.659)

Regional accounting staff trained on 04/17/08 & regional/county staff trained on 06/12/08. Monthly monitoring of Title IV-E (509) Fund Expenditure report is ongoing. Regional Accounting staff is distributing a monthly report to each county 30 days prior to a child's 18th birth month to ensure proper termination or rollover to Title IV-B (508) is completed. All SFY 2006/2007 Title IV-E (509) benefits paid to any child over the age of 18 has been re-rated to State funds. Mapping by field liaison completed. County staff trained on 06/12/08. Mapping by field liaison (MH) completed and field liaison will monitor supervisory case review compliance and timeliness of forms being signed and approved by county directors.

Finding Control Number: **FA-427-07-12**

##### ELIGIBILITY

Internal Control Deficiencies/Noncompliance with Federal Program Regulations  
Foster Care - Title IV-E (CFDA 93.658)

Procedural Change and Training: A change of procedure concerning 529 was implemented September 1, 2007. Revenue Maximization staff are responsible for eligibility determination and Field Fiscal Service staff are responsible for processing benefit payments. Both Revenue Maximization and Field Fiscal Service attended mandatory training that was completed February 2008 in accordance with our state's IV-E Program Improvement Plan (PIP). Form 529 will be phased out of use with the implementation of SHINES. The system will be phased in by June 1, 2008.

Model Court Orders were distributed in December 2006 by the DFCS Legal Services Manager to all SAAGS representing the Department of Family and Children Services. Training on the Model Court Orders and the IV-E Federal requirements were provided by DFCS Legal Services Manager in August 2007 at Statewide SAAG Conference. Non Compliant Court Orders that result in denial of IV-E Eligibility are reviewed monthly by the DFCS Legal Services Manager. Legal Services Manager contacts the responsible SAAG in writing with the name of case, specific deficiencies for that type order and the applicable federal requirement and directions on how to improve the quality of future orders.

Continued Court Collaboration: It is legally permissible to continue the 72 hour hearing at the court's discretion. Scheduling the hearing is a court function and DFCS does not control when the hearing is scheduled. If the hearing is not scheduled timely, the error is waived if the parents or other opposing parties do not raise it at the next hearing.

Finding Control Number: **FA-427-07-13**

##### ELIGIBILITY

##### SPECIAL TESTS AND PROVISIONS

Internal Control Deficiencies/Noncompliance with Federal Program Regulations  
Child Support Enforcement (CFDA 93.563)

OCSS has developed a Standard Case Review Process to ensure that cases are being managed according to federal compliance requirements and additionally that families are receiving quality services. Each local manager is required to review cases each month and report findings with corrective actions to the Director of Field Operations.

Changes have been made to the Support Order function on \$TARS. The user will enter information regarding child support payments from existing court order or as proposed for new court orders. The program will convert the support order language into accounts with the effective date as specified in the order and of an account type consistent with the case type and case sub type.

The program also populates the account expiration date with the emancipation date of the youngest child. Additional fields were added to the child data section of the support order page to display the emancipation date for all children and require entry of an indicator if the court order is effective past the emancipation date. Existing reports notify the user as children approach emancipation for incremental changes in the support ordered amount if needed.

# State of Georgia

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## **Auditee's Response**

### **Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008**

#### **AUDITEE'S COMMENTS**

The agency hired a private vendor to handle all cases where medical support is ordered and available to the non-custodial parent. The contracted vendor will update the STARS system and Medicaid of medical information. The non-custodial parent's employer is responsible for notifying the custodial parent once health insurance is obtained.

Finding Control Number: **FA-427-07-14**

#### **REPORTING**

Deficiencies in Reporting

Temporary Assistance for Needy Families (CFDA 93.558)

Child Support Enforcement (CFDA 93.563)

Child Care and Development Block Grant (CCC) (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

The staff has continued to develop in the preparation of financial status reports. A closer working relationship with the divisions has been developed to allow a better understanding of the grants. Coordination with the divisions is being done earlier to ensure expenses are booked timely after the grant period is closed. This allows for actions to be completed throughout the period from grant close to reporting deadline. In addition, the division is now required to review all reports for accuracy prior to submission. Resources are available from other areas when necessary to assist with timely reporting. The Director of Financial Services approves each Financial Status Report after Division review and prior to submission.

Finding Control Number: **FA-427-07-16**

#### **REPORTING**

Inadequate Internal Controls Over Performance Reporting

Temporary Assistance for Needy Families (CFDA 93.558)

Management has retrained responsible staff to ensure that reporting requirements are met. Implementation of this corrective action is ongoing

Finding Control Number: **FA-427-07-17**

#### **SPECIAL TESTS AND PROVISIONS**

Failure to Terminate Ineligible Benefit Payments

Temporary Assistance for Needy Families (CFDA 93.558)

DFCS and Child Support have developed improved communications and controls to ensure that failure to comply with child support requirements, is communicated to and acted upon by DFCS in suspending or terminating TANF benefits as appropriate.

Finding Control Number: **FA-427-07-18**

#### **CASH MANAGEMENT**

Inadequate Accounting Procedures

See Response to Financial Statement Finding FS-427-07-04

#### **JUDICIAL COUNCIL**

Finding Control Number: **FS-434-07-03**

#### **ACCOUNTING CONTROLS (OVERALL)**

##### **GENERAL LEDGER**

Failure to Maintain a Comprehensive Balance Sheet

There is no official policy or criteria requiring this. The Balance Sheet is separated as reported and can be reconciled to the accounting records.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

## AUDITEE'S COMMENTS

### SUPERIOR COURTS

Finding Control Number: **FS-436-07-01**

**CASH AND CASH EQUIVALENTS**

Failure to record reconciling items on General Ledger

The corrective action indicated was appropriate. Researching the reasons for the reconciling items and recording the proper general ledger entries has taken a considerable amount of time. We have made progress in clearing some reconciling items. Our research efforts will continue in order to successfully clear the remaining items.

### DEPARTMENT OF LABOR

Finding Control Number: **FS-440-07-01**

**BUDGET PREPARATION/EXECUTION**

Program Budgeting Deficiencies

The Georgia Department of Labor maintains its accounting records on the FARS (Federal Accounting and Reporting System) accounting system which is used by many other State Labor Departments across the Country. As noted by the auditors, this system does not facilitate maintaining accounting records on a program basis as the system is designed primarily to provide information to the U.S Department of Labor in a uniform reporting format from the various States. Because of the system constraints, extensive special programming and changes in the chart of accounts will be required to accomplish production of an ongoing set of program budget reports.

However, the Department's Budget Office does periodically monitor its program budget as defined by the Appropriation Act based on subsidiary records compiled by using existing fund ledgers, cost centers, and organizational units. Quarterly expenditure reports by program are submitted to OPB as required based on these records.

The Department will continue work with State Accounting Office toward the goal of creating formalized program budget reports in subsequent years.

Finding Control Number: **FS-440-07-03**

**CASH AND CASH EQUIVALENTS**

Inadequate Bank Reconciliation Procedures

The Department believes that all elements of this finding have been resolved with the exception of item #10, which dealt with the timeliness of correcting reconciling items on the accounting records.

The Department is continuing to focus on correcting reconciling items appearing on the bank reconciliation in a more timely manner.

Finding Control Number: **FS-440-07-04**

**REVENUES/RECEIVABLES/RECEIPTS**

**GENERAL LEDGER**

Deficiencies in Federal Funds Ledger

The Department continues to maintain there is nothing wrong conceptually with a fund ledger having a credit balance in an account receivable account in situations where more cash has been credited to that ledger than has been expended. These balances were correctly reported as deferred revenue on the financial statements. This item should not be reported as a fund ledger deficiency.

The Department will continue to focus on procedures to eliminate the other items cited in the finding.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

Finding Control Number: **FS-440-07-06**

GENERAL LEDGER

Inadequate General Ledger

The Department of Labor acknowledges that the HOST system currently used to process and account for transactions relating to the Unemployment Compensation Insurance Program is not a formal accounting system. However, over the last three fiscal years, a formal chart of accounts has been developed to facilitate preparation of financial statements and multiple queries have been written and continually revised to produce financial information that is used to prepare the Department of Labor's Financial Statements for the Unemployment Compensation Insurance Program. For fiscal year 2007, the auditor's opinion on these statements was unqualified. These efforts show the current system is being effectively utilized until a formal accounting system can be acquired and implemented.

The Department of Labor will continue to research other State's UI systems in order to determine the most effective approach to integrate the HOST system or update its accounting capabilities while continuing the day-to-day business as required.

Finding Control Number: **FS-440-07-07**

GENERAL LEDGER

Deficiencies in Deferred Revenue Account Balance

Revisions will be made in automated year end queries necessary to correct the calculation of deferred revenue as shown presented in the financial statements.

Finding Control Number: **FA-440-07-01**

CASH MANAGEMENT

Inadequate Procedures over Cash Draws of Federal Grants

The Department will review its cash management procedures and implement procedures to ensure cash is requested from the Federal Government in accordance with applicable program and grant requirements.

#### DEPARTMENT OF JUVENILE JUSTICE

Finding Control Number: **FS-461-07-01**

EMPLOYEE COMPENSATION

Excess Hours Worked by Retired Employees

Although we completely understand the severity of the issues raised in the finding, we do not concur with it. Both O.C.G.A. 47-2-110(c)(2) and ERS rules (noted in the finding) indicate only that retirees' benefits may be suspended if they work in excess of 1,040 hours during a calendar year. Neither indicates or outlines an agency's responsibility to monitor the hours of the employee; nor do they indicate an obligation to inform the retiree or ERS of such action. It appears that responsibility lies with the retiree. However, we have instructed our financial and human resource personnel to monitor this activity and assist our retirees whenever possible.

Our agency is substantially de-centralized in the financial, personnel, and other administrative functions. We have multiple "users" in our field offices and facilities throughout the state which initiate, monitor, and input financial and personnel data. We rely on these users to monitor and prevent such instances noted in this audit finding. Unfortunately, some situations do get by us.

We have instructed our users via email and during a recent conference about the importance to the retiree in monitoring this activity. We are also in the process of installing a new time-keeping system (KRONOS) to account for employees' time. However we feel our obligation lies mainly with informing retirees regarding this code section and the possible suspension of benefits.

Although we do not agree with the findings as stated, this by no means indicates our agency does not consider this issue important. We'll continue to educate and counsel the appropriate personnel to assist our retirees as necessary.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

##### DEPARTMENT OF NATURAL RESOURCES

Finding Control Number: **FS-462-07-01**

CASH AND CASH EQUIVALENTS

Inadequate Bank Reconciliations

We are changing the presentation of the bank reconciliation to ensure that they are presented in the proper manner.

Finding Control Number: **FS-462-07-02**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Accounting/Internal Control Deficiencies

The Accounts Payable Manager is carefully monitoring to ensure that expenditures are made in the proper budget year.

Finding Control Number: **FS-462-07-03**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Exceptions Related to Purchasing Card Transactions

A new policy was issued in March 2008 on use of the purchasing card and a new approval process went into effect. Many of the exceptions noted were prior to the new policy being issued and totally implemented. Desk audits are being done bi-annually for all purchasing card holders to ensure that the new policy is being adhered to. Managers are now required to review all their employees purchasing card transactions and sign off that the policy is being adhered to and that no sales tax is being charged on the purchases.

Finding Control Number: **FS-462-07-04**

CAPITAL ASSETS

Inadequate Capital Asset Records – Machinery and Equipment

The Department has begun having each division do quarterly audits of all machinery and equipment based on the inventory that is recorded in PeopleSoft. Any discrepancies between the physical inventory and the PeopleSoft records are being resolved in the PeopleSoft system in a timely fashion.

Finding Control Number: **FA-462-07-01**

ACCOUNTING CONTROLS (OVERALL)

Failure to Submit Accurate Schedule of Expenditures of Federal Awards

Future years submissions will be reported in the correct format. We have requested permission to bring in an additional staff person to ensure that this is reported correctly in the future.

##### DEPARTMENT OF CORRECTIONS

Finding Control Number: **FS-467-05-01**

CAPITAL ASSETS

Inadequate Capital Asset Records - Improvements Other Than Buildings

The corrective action plan has been implemented with respect to new projects. There are still some projects that were in process at the time of the original finding that are being completed without a unique project number to identify each transaction associated with the project. Our Engineering Department maintains records on these projects and pulls the totals from PeopleSoft at the time the construction is completed.



# State of Georgia

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## **Auditee's Response**

### **Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008**

#### **AUDITEE'S COMMENTS**

Finding Control Number: **FS-467-05-02**

##### **CAPITAL ASSETS**

Failure to Maintain Records for Capital Assets-Building and Building Improvements

The corrective action plan has been implemented with respect to new projects. There are still some projects that were in process at the time of the original finding that are being completed without a unique project number to identify each transaction associated with the project. Our Engineering Department maintains records on these projects and pulls the totals from PeopleSoft at the time the construction is completed.

#### **DEPARTMENT OF REVENUE**

Finding Control Number: **FS-474-04-05**

##### **CAPITAL ASSETS**

Inadequate Accounting Procedures

The department continues to work with the State Accounting Office to address these issues. The Department is in the development and implementation of comprehensive procedures to record and track assets. The Asset Management unit has added additional staff to verify Department assets. The projected date of completion is by the end of Fiscal Year 2009.

Finding Control Number: **FS-474-06-01**

##### **ACCOUNTING CONTROLS (OVERALL)**

Inadequate Monitoring Procedures

The Department has implemented internal control procedures to ensure adequate monitoring of the Motor Vehicle transactions related to collection of revenue, deposit reconciliations and outstanding balances related to the Georgia Registration and Title Information System (GRATIS). The projected date of completion is by the end of Fiscal Year 2009.

Finding Control Number: **FS-474-06-02**

##### **ACCOUNTING CONTROLS (OVERALL)**

Inadequate System Documentation

The Department will work through our Information Technology Division to obtain/develop original system documentation which reflects the original state of the Georgia Registration and Title Information (GRATIS).

Finding Control Number: **FS-474-06-04**

##### **REVENUES/RECEIVABLES/RECEIPTS**

Deficiencies in the Income Tax Division Subsidiary Records

The Department is currently in the process of determining the vendor who will implement systematic upgrades through an integrated tax platform that will enable the Department to track and analyze taxpayer tax returns.

Finding Control Number: **FS-474-06-06**

##### **REVENUES/RECEIVABLES/RECEIPTS**

##### **GENERAL LEDGER**

Failure to Reconcile Subsidiary Systems to PeopleSoft

The Department recognizes that it is essential reconciliations be performed between documentation from external sub-systems within the organization to the accounting records. In this effort, procedures have been implemented and the Department currently performs daily/monthly reconciliations for multiple tax types which are a part of the Electronic Funds, Mailcash and Central Taxpayer Accounting process. The reconciliations include a year-in-total section.

Our Motor Vehicle system, GRATIS, sources of revenue can be tied to PeopleSoft by using a unique deposit number found in GRATIS. The most efficient way to test this data is to request ITD to run a query to pull the desired dates and revenue sources. Accounting will continue to develop a daily reconciliation linking GRATIS balance reports to PeopleSoft.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

Finding Control Number: **FS-474-07-01**

CASH AND CASH EQUIVALENTS

Inadequate Accounting Procedures

The Department is currently in the process of researching transactions related to the general ledger balances and reconciling items. It is projected that these transactions will be resolved by the end of Fiscal year 2009.

Finding Control Number: **FS-474-07-02**

REVENUES/RECEIVABLES/RECEIPTS

Deficiencies in the Income Tax Division Subsidiary Records

The Department is currently in the process of determining the vendor who will implement systematic upgrades through an integrated tax platform that will enable the department to track and analyze taxpayer tax returns.

Finding Control Number: **FS-474-07-03**

REVENUES/RECEIVABLES/RECEIPTS

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Failure to Reconcile A/R and A/P to the General Ledger

All transactions for account 200070, 200071 and 200072 have been identified and reconciled.

Department is currently in the process of researching accounts receivable balances on the general ledger and reconciling items. It is projected that the research and any applicable transactions to resolve variances will be completed by Fiscal Year 2009.

Finding Control Number: **FS-474-07-04**

REVENUES/RECEIVABLES/RECEIPTS

GENERAL LEDGER

Failure to Reconcile Subsidiary Systems to PeopleSoft

The Department recognizes that it is essential reconciliations be performed between documentation from external sub-systems within the organization to the accounting records. In this effort, procedures have been implemented and the Department currently performs daily/monthly reconciliations for multiple tax types which are a part of the Electronic Funds, Mailcash and Central Taxpayer Accounting process. The reconciliations include a year-in-total section.

Our Motor Vehicle system, GRATIS, sources of revenue can be tied to PeopleSoft by using a unique deposit number found in GRATIS. The most efficient way to test this data is to request ITD to run a query to pull the desired dates and revenue sources. Accounting will continue to develop a daily reconciliation linking GRATIS balance reports to PeopleSoft.

Finding Control Number: **FS-474-07-07**

GENERAL LEDGER

Ending Balances in Balance Sheet Clearing Accounts

The Department acknowledges that balances existed in account number 196030 and 196119. Reconciliations were performed during the Fiscal Year; however, reconciling items were not researched/resolved in a timely manner.

The Department recognizes that an essential part of the reconciliation process is adequately identifying beginning balances, ending balances and reconciling items. In addition, those reconciling items that have been identified need to be recording in a timely manner in the accounting records.

The Department has reviewed these reconciliations and procedures with the appropriate staff and currently all clearing accounts have zero balances except account number 196119. Accounting continues to research this account number to identify the entries that compile the existing balance and determine the appropriate action to resolve.

# State of Georgia

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## **Auditee's Response**

### **Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008**

#### **AUDITEE'S COMMENTS**

Finding Control Number: **FS-474-07-08**  
GENERAL LEDGER  
FUND EQUITIES  
Inadequate Accounting Procedures

The Department is currently researching accounts payable and accounts receivable balances in the general ledger to ensure that transactions have been properly recorded. It is projected that the research and any applicable transactions to resolve variances will be completed by Fiscal Year 2009.

#### **SECRETARY OF STATE**

Finding Control Number: **FS-478-07-01**  
CASH AND CASH EQUIVALENTS  
Inadequate Bank Reconciliation Procedures

The Office of the Secretary of State has established and implemented a new bank reconciliation policy and procedure. All bank accounts are reconciled by the designated accountant then reviewed and approved by the Accounting Manager within 15 business days after each month-end close of the financial system. The differences between bank statements and accounting records are identified and listed in detail with supporting documentation. All differences are reviewed and discussed each month. Actions are taken immediately after monthly bank reconciliations to contact the proper persons for resolutions of variances.

#### **DEPARTMENT OF TRANSPORTATION**

Finding Control Number: **FS-484-07-02**  
CAPITAL ASSETS  
Inadequate Capital Asset Records – Land

#### **AUDITOR CONCLUDING REMARKS TO FINDING**

For fiscal year 2008, the Department of Transportation again failed to maintain subsidiary capital asset inventory records for land. The Department's records as presented for audit consisted of total estimated land value amounts by fiscal year. The subsidiary records should include detailed information such as cost, location, parcel, and acreage.

#### **DEPARTMENT OF VETERANS SERVICE**

Finding Control Number: **FS-488-07-01**  
ACCOUNTING CONTROLS (OVERALL)  
Deficit Fund Balance

The Department of Veterans Service has contacted SAO and is awaiting their response on how to properly correct this issue.

Finding Control Number: **FS-488-07-02**  
ACCOUNTING CONTROLS (OVERALL)  
Federal Fund Ledger Deficiencies

The Department of Veterans Service has contacted SAO and is awaiting their response on how to properly correct this issue.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

#### GEORGIA INSTITUTE OF TECHNOLOGY

Finding Control Number: **FA-503-07-02**

##### REPORTING

Inadequate Performance Reporting

Research and Development Cluster

Only partial corrective action was taken during the fiscal year to correct the stated deficiency. Each deliverable listed with this finding has been reviewed to determine possible causes for being submitted late, or for NOT being submitted at all. For each finding identified, a letter will be sent prior to August 31, 2008 to each Project Director, Department Head and Unit Financial Officer, informing them about the finding. The letter will re-emphasize the importance of submitting reports by the specified due date. Additionally, prior to August 31, 2008, a letter will be sent from the Senior Vice Provost for Research and Innovation to each Dean, School Chair, and Lab/Center Director to stress the importance of timely submission of progress reports, final reports, and other special reports as required by grant and contractual agreements. This delivery date was noted in the original corrective action plan.

#### GEORGIA STATE UNIVERSITY

Finding Control Number: **FS-509-05-04**

##### ACCOUNTING CONTROLS

Inadequate General Controls

Georgia State University has upgraded to the Oracle 10g system. One application requires further configuration to completely resolve the access restriction issues. Corrective action has been discussed and should be implemented before the fiscal year-end.

#### ALBANY STATE UNIVERSITY

Finding Control Number: **FS-521-07-01**

##### REVENUES/RECEIVABLES/RECEIPTS

Inadequate Accounting Procedures

##### REVENUES/RECEIVABLES/RECEIPTS:

The University has implemented procedures that will result in improved control of the University's student accounts receivable balances. These procedures include but are not limited to (1) invoicing of outstanding balances; (2) placing past due student accounts with a collection agency; (3) establishing a reserve for balances greater than \$3,000; (4) creating and filling a new full-time Collections Coordinator position, and (5) creating and filling a new full-time Associate Controller position with responsibility for this area.

Finding Control Number: **FS-521-07-04**

##### EMPLOYEE COMPENSATION

Inappropriate Payments to Student-Athletes

We concur that the finding is unresolved. We will conduct a complete audit of all currently employed student athletes. We will seek reimbursement of any funds paid on disputed timesheets. We will take disciplinary action against such students and their supervisors. We will provide better training and monitoring of the staff performing the current reviews.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

Prior to Spring semester, we will implement the following additional or comparable procedures:

- Before a student is assigned they must sign a statement of accountability.
- Before a supervisor is assigned a student, the supervisor must sign a statement of accountability.
- Both occur at mandatory training which precedes any assignment.
- No student is assigned without providing a final class schedule.
- No student is assigned without providing practice and event schedule, certified by Athletics.
- Based upon the above schedules a full semester of timesheets will be prepared with potential conflicts blocked out.
- Students and coaches are required to inform supervisors and staff of changes in practice, training and event schedules.
- At the end of the semester, a complete and independent review/audit is conducted.
- Any "errors" will result in restitution, personnel action to the supervisor, and disciplinary action to the student.
- Students and supervisors may lose their right to participate in this program.

#### AUGUSTA STATE UNIVERSITY

Finding Control Number: **FS-527-07-02**

##### CAPITAL ASSETS

##### Inadequate Accounting Procedures

In FY 2008, the University formed an Asset Team to review and find solutions to improve physical inventory procedures and internal controls. Inventory custodians were designated by each campus department. An asset handbook was published to educate the inventory custodians. Online equipment transfer forms were created to expedite the transfer process. In October 2007, a complete physical inventory list was distributed to the inventory custodians by the Business Office. The Business Office updated Peoplesoft to match the feedback from each Inventory custodian. Independent audits were then performed by the Asset Team on selected departments. An additional physical inventory list was created by the Business Office in May 2008, for Property Control to perform a final (all inclusive) inventory audit to further validate these results.

In FY 2009, additional field work will be performed to resolve tag number issues, improve internal controls, and improve ongoing asset transfer and retirement procedures. New surplus policies and procedures will be developed to meet DOAS changes. Additional human resources will be requested to ensure continued success toward resolving this audit finding.

#### FORT VALLEY STATE UNIVERSITY

Finding Control Number: **FS-533-07-01**

##### REVENUES/RECEIVABLES/RECEIPTS

##### Inadequate Subsidiary Records

We will ask the readers of the financial statements to refer to the respective current year findings.

#### GEORGIA SOUTHERN UNIVERSITY

Finding Control Number: **FA-539-07-01**

##### CASH MANAGEMENT

##### Excessive Cash Balances

##### Federal PELL Grant (CFDA 84.063)

##### Federal Direct Loans (CFDA 84.268)

The University has contacted the U. S. Department of Education concerning this finding numerous times during the 2008 fiscal year. We have been informed by a representative of the U. S. DOE that they will not issue final billing or settlement of finding until all institutions included in the 2007 single audit of the University System of Georgia have been determined and settled. We have been notified that one institution within the USG has not completed requirements to settle and finalize the

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

finding. Therefore, Georgia Southern University cannot settle, pay and finalize the prior year finding until the other System institution settles with the U. S. Department of Education.

#### SAVANNAH STATE UNIVERSITY

Finding Control Number: **FS-548-07-01**  
ACCOUNTING CONTROLS (OVERALL)  
Inadequate General Controls

Savannah State University's corrective action plan was not fully implemented until fiscal year 2009.

Finding Control Number: **FS-548-07-02**  
BUDGET PREPARATION/EXECUTION  
GENERAL LEDGER  
Inadequate Accounting Procedures

Savannah State University will ensure that the Budget Reports are properly prepared and reviewed. Support for the entries, particularly the budget adjustments, will be reviewed to ensure that they have been appropriately accounted for.

Finding Control Number: **FS-548-07-04**  
REVENUES/RECEIVABLES/RECEIPTS  
Inadequate Control Procedures for Collection of Tuition and Fees

Savannah State University has taken steps to reduce, and eventually eliminate, the number and percentage of students having a balance that has not been guaranteed by Financial Aid or some other source. Additionally, the University has taken steps to strengthen the registration clearance process. The University is confident that these steps taken together will resolve these issues.

Finding Control Number: **FS-548-07-07**  
CAPITAL ASSETS  
Inadequate Capital Asset Records

Savannah State University is going to work with OIIT to resolve this issue since this is due to a system error. However, if this issue cannot be resolved through OIIT, an adjustment will be made for the system variance. Additionally, the University is reviewing existing asset receiving and tagging processes.

Finding Control Number: **FA-548-07-05**  
SPECIAL TESTS AND PROVISIONS  
Deficiencies in Student Financial Aid Refund Process  
Student Financial Aid Cluster Program

The University is waiting on a response from the U. S. Department of Education regarding resolution of this finding.

#### GEORGIA PERIMETER COLLEGE

Finding Control Number: **FS-571-06-01**  
ACCOUNTING CONTROLS (OVERALL)  
Inadequate General Controls

The College is working with the Board of Regents' Office of Information and Instructional Technology OIT and Georgia Department of Administrative Services to outsource the performance of an IT Risk Assessment. This requirement will be in compliance with Board of Regents IT Risk Assessment and NIST guidelines. The risk assessment will be completed during FY 2009.

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

##### DEKALB TECHNICAL COLLEGE

Finding Control Number: **FS-830-07-02**

CASH AND CASH EQUIVALENTS

Inadequate Internal Controls

All prior year bank reconciliation items noted in fiscal year 2007 were cleared and corrected in fiscal year 2008. A detailed Outstanding Check listing with the required information of check number, check amount and check date was prepared for all accounts. Payroll and General Operating outstanding checks that met the criteria were either moved to Funds Held for Others or returned to the Georgia Department of Revenue's Unclaimed Property Division. The outstanding check listing for the HOPE, Federal, and Refund accounts have been identified and properly listed as noted above. However, these checks have not been moved to Funds Held for Others. These listings are being analyzed so the proper unclaimed property procedures can be followed in fiscal year 2009. All accounts will be in compliance at the end of fiscal year 2009.

Finding Control Number: **FS-830-07-05**

CAPITAL ASSETS

Inadequate Control over Capital Assets

A complete physical inventory was performed in fiscal year 2008 by the Property and Supply Supervisor. DeKalb Technical College is working to make appropriate corrections resulting from the findings of the physical inventory. Monthly reconciliations are being performed between the General Ledger and Asset Management Module. A Year-End reconciliation will be performed between the General Ledger, Asset Management Module, and Physical Inventory Listing in fiscal year 2009.

##### SAVANNAH TECHNICAL COLLEGE

Finding Control Number: **FS-841-06-01**

GENERAL LEDGER

Deficiencies in Financial Statement Presentation

After each year end closing, our Technical College System of Georgia GAAP committee reviews and revises our standard GAAP procedures resulting from audits throughout the Technical College System of Georgia. Additional training is provided for the colleges to strengthen our knowledge of GAAP financial statement presentation. The GAAP committee will have to revise their standard GAAP procedures to use in preparing their year end GAAP basis financial statements in accordance with generally accepted accounting principles for inclusion in the State's CAFR and Single Audit Act. These procedures will be ready to use before our next year-end close to ensure all GAAP entries created are standardized by each technical college and all procedures will be approved by the Georgia Department of Audits and Accounts.

We have reduced the deficiencies on our GAAP statements from previous years and understand we need to continue our improvement process by having others trained in our business office in the year end GAAP process in our business office so we can verify entries prior to submitting to the Department of Audits.

##### GEORGIA BUILDING AUTHORITY

Finding Control Number: **FS-900-07-01**

CAPITAL ASSETS

Reporting and Maintenance of Capital Asset Subsidiary Ledgers

See current year finding FS-900-08-01

# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

#### GEORGIA HIGHER EDUCATION ASSISTANCE CORPORATION

Finding Control Number: **FA-918-07-02**  
REPORTING

Failure to establish adequate procedures to verify a student's loan status with the lender as well as establish procedures to ensure that lenders report, and the Corporation properly records, loans paid in full

The Corporation will continue to look for ways to enhance this reporting. The Corporation's current procedure provides the Unreported Loan Report to all lenders quarterly. This report provides a list of loans that the lender has failed to report to the guarantor in the previous quarter. This procedure alerts and encourages lenders about their responsibility to provide information about loans that they have missed in their monthly reporting to the guarantor. Beginning October 2008, the guarantor will call lenders to notify them of issues of they have taken no action on the Unreported Loan Report.

#### GEORGIA AGRICULTURAL EXPOSITION AUTHORITY

Finding Control Number: **FS-926-07-01**  
ACCOUNTING CONTROLS (OVERALL)  
Inadequate Separation of Duties

Authority will continue to seek improvements in internal control as they relate to the separation of responsibilities in accounting functions and implement these improvements as necessary.

#### GEORGIA AGRIRAMA DEVELOPMENT AUTHORITY

Finding Control Number: **FS-940-07-02**  
CAPITAL ASSETS  
Inadequate Capital Assets Records

As an educational living history village of 1879 to 1910, some of our assets are buildings that were moved to our site, restored, and reconstructed. Values were established through materials, labor, and comparable building by our long-term Curator, and by the Restoration Supervisor. Department of Audits wanted someone else to estimate the reconstructed values. In 2007, DOAS contracted with a Pennsylvania company to review the old, re-established houses. Also, DNR separately sent an employee to assess the values. Neither was deemed appropriate by the latest auditor. We will seek a fourth group of assessors this year to estimate the 100-year old buildings that were restored at our site 20 to 30 years ago.

#### MEDICAL COLLEGE OF GEORGIA HEALTH, INCORPORATED

Finding Control Number: **FS-5124-07-01**  
REVENUES AND RECEIVABLES  
Analysis Supporting Valuation of Patient Accounts Receivable and Third-Party Settlements

Management has implemented a standard measurement tool which is utilized during the panning, negotiating and execution process associated with each lease, so that there is clarity among all parties in finance and operations as to the proper classifications for accounting purposes. This issue did not recur during 2008.



# State of Georgia

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## Auditee's Response

### Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2008

#### AUDITEE'S COMMENTS

#### METROPOLITAN REGIONAL EDUCATIONAL SERVICE AGENCY

Finding Control Number: **FS-8564-07-01**

CASH AND CASH EQUIVALENTS

GENERAL LEDGER

Inadequate Bank Reconciliation Procedures

Metro RESA has taken steps to implement procedures to ensure timely monthly reconciliations. The unsuccessful initial set-up of the new MUNIS accounting system has resulted in the need for a re-installation of system data, which will result in fewer errors and completion of monthly reconciliations in a more timely manner. New installation is schedule for July 1-3. A follow-up monitoring of the new installation is scheduled (by MUNIS) again July 26-27th.

Finding Control Number: **FS-8564-07-02**

ACCOUNTING CONTROLS (OVERALL)

Inadequate Accounting Procedures

Metro RESA has implemented accounting procedures to monitor the Operating Account. Quarterly reports will be provided to the Board of Control at the August, October, January and April meetings.

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**Corrective Action Responses to  
Current Year Findings and  
Questioned Costs**

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# State of Georgia

## Corrective Action Responses to Current Year Findings and Questioned Costs

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

### **STATEWIDE**

Finding Control Number: **FS-SW-08-01**

#### **BUDGET**

##### **Budgetary Compliance Deficiencies**

We concur with this finding. The State Accounting Office agrees that documentation supporting financial statement transactions, adjustments and balances is fundamental to financial reporting. Action has been taken to address budgetary compliance deficiencies as follows:

- **Issuance of policies and procedures.** Several policy/procedure documents were issued in May and June, 2008. These policies and procedures address specific areas cited for deficiencies in budgetary compliance, including adequate documentation for all journal entries. Additional guidance will be issued to address problems identified.
- **Financial system modifications.** Anticipated modifications to the PeopleSoft financial system and the development of additional reports will assist State organizations in monitoring budgetary compliance at the legal level of control.
- **Training.** Educational sessions highlighting budgetary compliance issues are planned for Spring 2009.

Contact Person: Sandra Warr

Department Telephone: (404) 651-7802; Fax: (404) 463-5089; [swarr@sao.ga.gov](mailto:swarr@sao.ga.gov)

Finding Control Number: **FS-SW-08-02**

#### **REVENUES AND RECEIVABLES**

##### **FINANCIAL REPORTING AND DISCLOSURE**

##### **Audit Adjustment to Comprehensive Annual Financial Report (CAFR)**

We concur with this finding. Organizational units of State government are ultimately accountable for the accurate reporting of financial information. The State Accounting Office (SAO) will review and revise, as necessary, instructions for reporting items for which the accounting treatment under generally accepted accounting principles may differ from the accounting treatment under the statutory basis of accounting. SAO will continue to work with agencies to ensure that existing policies, procedures and instructions are effectively implemented, and will also continue to strengthen internal analytical review procedures.

Contact Person: Sandra Warr

Department Telephone: (404) 651-7802; Fax: (404) 463-5089; [swarr@sao.ga.gov](mailto:swarr@sao.ga.gov)

Finding Control Number: **FS-SW-08-03**

#### **EXPENSES/EXPENDITURES AND LIABILITIES**

##### **FINANCIAL REPORTING AND DISCLOSURE**

##### **Deficiencies in Reporting of Operating and Capital Leases**

We concur with this finding. Organizational units of State government are ultimately accountable for the accurate reporting of operating and capital leases. The State Accounting Office (SAO) will monitor the status of corrective action plans requested of those organizations cited for deficiencies. SAO will continue to work with agencies to ensure that existing policies, procedures and instructions are effectively implemented. Policies and procedures will be reviewed and revised, as necessary.

Contact Person: Sandra Warr

Department Telephone: (404) 651-7802; Fax: (404) 463-5089; [swarr@sao.ga.gov](mailto:swarr@sao.ga.gov)

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

### **DEPARTMENT OF ADMINISTRATIVE SERVICES**

Finding Control Number: **FS-403-08-1**

EXPENSES/EXPENDITURES AND LIABILITIES

Questionable Workers' Compensation Claims Processing Charges

The Department acknowledges that there were approximately .59 percent duplicate claims for Workers' Compensation in fiscal year 2008. We also recognize the necessity in limiting duplicate claims and the resulting payments.

However, the Department has contractual obligations to pay the third party service providers based on the number of phone calls received or claims filed. We also recognize third party administrators have costs associated with the handling of those phone calls and claims, even if they are duplicates.

Risk Management Services has worked with the various Agencies, the Board of Regents and Authorities to train on reporting and limit reporting to only one coordinator. The third party administrators (TPA) are also working along with DOAS on this reporting. Even with this emphasis it may be difficult to obtain a zero level of duplicate reporting. We have no control over duplicate phone calls or claims that are made by other state agencies. Also as a deterrent, we began charging agencies for duplicate filings in the past fiscal year.

The Department believes that addressing this issue in future contract negotiations with the third party service providers will result in increases in the per call or claim rates. Furthermore, the Department does not want the third party administrators to attempt to determine whether filings are duplicates or not. Any legitimate claims that are not handled in a timely manner are subject to a 15% penalty payable to the claimant and up to a \$1,000.00 fine payable to the Workers' Compensation Board. Costs associated from missed claims have the potential to far surpass the costs associated with duplicate filings.

Industry standards for duplicate reporting for Workers' Compensation claims are between one and three percent. We far exceed industry standards.

Contact Person: Gene Kirschbaum, Director of Finance and Administration  
Telephone: (404) 657-9430; Fax: (770) 408-5965; E-mail: [gene.kirschbaum@doas.ga.gov](mailto:gene.kirschbaum@doas.ga.gov)

### **STATE ACCOUNTING OFFICE**

Finding Control Number: **FA-407-08-01**

ALLOWABLE COSTS/ COSTS PRINCIPLES

Failure to submit Statewide Cost Allocation Plan

We concur with this finding. The State Accounting Office (SAO) acknowledges our responsibility to prepare and submit the Statewide Cost Allocation Plan (SWCAP) for each fiscal year to the US Department of Health and Human Services (the cognizant agency) for approval. We assumed this responsibility in November 2007 and concur that this report needs to be filed each year according to OMB Circular A-87.

SAO recognizes that failure to remain current with the submission of the SWCAP could result in significant financial adjustments required for central service costs charged by the State of Georgia to its Federal programs. SAO has taken immediate steps to develop ongoing project plans and schedules to ensure the timely completion of the annual SWCAP.

Contact Person: Consuelo Ravelo, Staff Accountant, SAO  
Telephone: (404) 463-1078; Fax: (404) 463-5089; E-mail: [cravelo@sao.ga.gov](mailto:cravelo@sao.ga.gov)

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

### **DEPARTMENT OF EDUCATION**

Finding Control Number: **FS-414-08-01**  
ACCOUNTING CONTROLS (Overall)  
Inadequate Controls over the Academic Coach Program

The GaDOE concurs with this finding. The GaDOE contacted the Attorney General's (AG) Office about a possible review of the circumstances. The AG's Office is currently in the process of conducting a criminal investigation against the parties involved.

The GaDOE Contract's Division has reviewed its business processes and practices to ensure proper contract management. Program Manager's responsible for contracts have been given guidance concerning proper contract administration through a series of training seminars provided by the Contracts Division. Also, standard contract language has been added to all contracts to address conflict of interest.

Contact Person: Jennifer Hackemeyer, General Counsel  
Telephone: (404) 657-2529; Fax: (404) 657-8376; E-mail: jhackeme@doe.k12.ga.us

Contact Person: Randy Trowell, Associate Superintendent for Finance  
Telephone: (404) 656-2497; Fax: (404) 657-5512; E-mail: rtrowell@doe.k12.ga.us

Finding Control Number: **FA-414-08-01**  
ACTIVITIES ALLOWED OR UNALLOWED  
Failure to ensure all application documentation is available for review  
Twenty-First Century Community Learning Centers (CFDA 84.287)  
U. S. Department of Education  
Grant Award Number: S287C070010

The GaDOE concurs with this finding. In FY09, GaDOE changed its procedures in regards to grant applications for the Twenty-First Century Community Learning Centers (21<sup>st</sup> CCLC) program. The new procedures now require subgrantees applying for 21<sup>st</sup> CCLC grant funds to submit their applications through GaDOE's electronic consolidated application system. This will allow the Department to track and maintain the applications in a centralized location so that the information will be available upon request.

Contact Person: William Hooker, 21<sup>st</sup> CCLC Program Director  
Telephone: (404) 651-9406; Fax: (404) 651-9111; E-mail: whooker@doe.k12.ga.us

Finding Control Number: **FA-414-08-02**  
SUBRECIPIENT MONITORING  
Failure to monitor subrecipient's activities throughout the fiscal year  
Twenty-First Century Community Learning Centers (CFDA 84.287)  
U. S. Department of Education  
Grant Award Number: S287C070010

The GaDOE concurs with this finding. The GaDOE has conducted interviews for the four vacated Education Research and Evaluation Specialist (ERES) positions. At the present time, one of the ERES positions has been filled. Twenty-First Century Community Learning Centers (21<sup>st</sup> CCLC) staff have completed their monitoring instrument, and a monitoring schedule for the remainder of the year is currently being established. Monitoring is expected to begin in March. The highest risk grantees will be reviewed first and the other grantees are expected to receive at least one visit before September 30, 2009.

Contact Person: William Hooker, 21<sup>st</sup> CCLC Program Director  
Telephone: (404) 651-9406; Fax: (404) 651-9111; E-mail: whooker@doe.k12.ga.us

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FA-414-08-03**

### **SUBRECIPIENT MONITORING**

Management Decisions on Subrecipient Audit Findings Not Issued Within the Required Time Period

The GaDOE concurs with this finding. During FY 2008, the Department closed approximately 91% of the audit reports in a timely manner. The GaDOE will implement procedures to ensure that audit reports are closed within six months after receipt of the subrecipient's audit report.

Contact Person: John Dunn, Financial Review Director

Telephone: (404) 656-6754; Fax: (404) 657-5512; E-mail: johndunn@doe.k12.ga.us

## **DEPARTMENT OF COMMUNITY HEALTH**

Finding Control Number: **FS-419-08-01**

### **EXPENSES/EXPENDITURES AND LIABILITIES**

Reserve for Encumbrances

We concur with this finding. Contract Payable policies do not allow funds to be unencumbered without the approval of contract business owners. It was noted that documentation of this review and approval process needs to be improved, and we are currently modifying our procedures to add steps for improvement and control. These modifications will include more stringent requirements for the circumstances under which a contract business owner will be allowed to maintain an encumbrance after fiscal year-end as well as documentation of the review and approval process between the contract business owners and the Contract Payable staff. In addition, a review closer to fiscal year-end will be added to our procedures in order to ensure we are accurately reflecting all encumbrances in the financial statements.

Contact Person: John Hankins, Audit Director

Telephone: (404) 657-7880; Fax: (404) 657-4199; E-mail: jhankins@dch.state.ga.us

Finding Control Number: **FS-419-08-02**

### **REVENUES AND RECEIVABLES**

Federal Accounts Receivables

We concur with this finding. We were ultimately able to support the amount of the accounts receivable due from the federal government; however, we agree that the original reconciliation contained errors and we were unable to address those errors in a timely manner. As a result, the Department of Community Health plans to engage an independent certified public accounting firm to assess current reconciliation processes and help the department implement best practices to improve those processes. This assessment will also be utilized to determine additional staff training needed to effectively implement best practices and to evaluate the need for reorganization and reassignment of staff within the Accounting Office. The Department of Community Health will provide additional training opportunities for staff and reorganize and reassign staff responsibilities as appropriate to address this deficiency.

Contact Person: John Hankins, Audit Director

Telephone: (404) 657-7880; Fax: (404) 657-4199; E-mail: jhankins@dch.state.ga.us

Finding Control Number: **FA-419-08-01**

### **ELIGIBILITY**

Verification and Documentation of Eligibility

We concur with this finding. The Department of Community Health recognizes and acknowledges the need to enhance the monitoring policy for verification and documentation for Medicaid members and create more stringent controls over the eligibility process. The Department of Community Health has instituted an independent case record review procedure on all points of eligibility. Approximately 850 cases are reviewed monthly. All undetermined and error cases must be specifically addressed and resolved by DFCS as part of the review process. Additionally, monthly meetings are held with DFCS to address identified areas of eligibility concern, corrective action, and process improvement. This ongoing eligibility monitoring has led to a significant decrease in cases lacking verification and documentation over the last year.



# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

As part of ongoing corrective action the Department of Community Health's Medicaid Eligibility Quality Control Unit will begin to target individual DFCS counties and workers on a monthly basis needing corrective action. The Department of Community Health will work with DFCS to provide enhanced policy training for counties and members as needed. If enhanced training fails to provide improved results the Department of Community Health will request corrective action plans from DFCS for unresponsive counties and workers. Additionally, problematic eligibility policies and procedures identified by the ASO/QC project will be strengthened or modified in order to clarify operations.

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Finding Control Number: **FA-419-08-02**  
REPORTING  
Federal Accounts Receivable

See Financial Audit Finding FS-419-8-02

Contact Person: John Hankins, Audit Director  
Telephone: (404) 657-7880; Fax: (404) 657-4199; E-mail: [jhankins@dch.state.ga.us](mailto:jhankins@dch.state.ga.us)

## **GEORGIA FORESTRY COMMISSION**

Finding Control Number: **FS-420-08-01**  
BUDGET PREPARATION/EXECUTION  
GENERAL LEDGER  
Deficiencies in Program Budget Monitoring

We concur with this finding. The agency has implemented procedures to monitor its budget and financial position relative to the budget throughout the year. The agency has implemented procedures to monthly reconcile the budget and actual ledgers to ensure the reliability of budgetary reports generated in the PeopleSoft system and Budget Net. The agency has further implemented procedures to periodically analyze the propriety of revenues and expenditures charged to the various budget periods.

Contact Person: Dan Gary, Director of Administration  
Telephone: (478) 474-1286; Fax: (478) 751-3463; E-mail: [dgary@gfc.state.ga.us](mailto:dgary@gfc.state.ga.us)

Finding Control Number: **FA-420-08-01**  
REPORTING  
Failure to Submit Accurate Schedule of Expenditures of Federal Awards

We concur with this finding. The agency has implemented procedures requiring preparation of the Schedule of Expenditures of Federal Awards using GAAP Actuals. The agency has implemented procedures to ensure all CFDA numbers included in the PeopleSoft system and reported on the Schedule agree with the CFDA numbers in the Federal Grant Award documents. The agency is developing procedures to identify subrecipients and amounts paid to subrecipients. The agency has further implemented procedures to ensure the Schedule is reviewed by someone other than the preparer before final submission of the Schedule of Expenditures of Federal Awards.

Contact Person: Dan Gary, Director of Administration  
Telephone: (478) 474-1286; Fax: (478) 751-3463; E-mail: [dgary@gfc.state.ga.us](mailto:dgary@gfc.state.ga.us)

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

### **DEPARTMENT OF HUMAN RESOURCES**

Finding Control Number: **FS-427-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
BUDGET  
Inadequate Documentation of Allocation Across Budget Programs

We concur with this finding.

All Division and Office Directors will identify those individuals within their areas who have responsibility for allocating contract costs across program budgets, evaluate the adequacy of the individuals' skillsets and understanding of contract cost allocation requirements and provide back to the Chief Accountability Officer, DHR, a statement:

- Identifying and attesting to the competence of those individuals to perform cost allocation appropriately, including how to adequately document the process, and
- Describing the oversight for the contract cost allocation process within their Division or Office.

Contact Person: Lynn Vellinga, Chief Accountability Officer  
Telephone: (404) 463-4304

Finding Control Number: **FS-427-08-02**  
ACCOUNTING CONTROLS (OVERALL)  
BUDGET  
EXPENSES/EXPENDITURES AND LIABILITIES  
Inadequate Journal Entry Documentation

We concur with this finding.

- 1) A journal-entry training is in development and will be delivered to all persons within DHR who have been identified as originators or approvers of journal entries. Once the training has been delivered, all staff will be held accountable for results.
- 2) In conjunction with, and upon completion of the training above, enhanced controls over journal entry approval and documentation will be put into operation.

Contact Person: Lynn Vellinga, Chief Accountability Officer  
Telephone: (404) 463-4304

Finding Control Number: **FS-427-08-03**  
CASH  
INVESTMENTS AND INVESTMENT RELATED ACTIVITY  
Inadequate Bank Reconciliation Procedures

We concur with this finding.

- Bank reconciliations will be performed on a monthly basis and completed by the end of the following month.
- All adjusting entries will be researched and rectified within 15 days after completion of the reconciliation.
- The Deputy Director will be responsible for ensuring that the bank accounts are reconciled if the GL Professional Accountant 3 position becomes vacant.
- The Deputy Director will review and sign off on all reconciliations as well as the adjusting entries prior to being posted.
- The Director will spot-review reconciliations every month for completeness.

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Number: **FS-427-08-04**

### **REVENUES AND RECEIVABLES**

#### **Inadequate Procedures Over Cash Draws of Federal Grants**

Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)

State Administrative Matching Grants for Food Stamp Program (FSC) (CFDA 10.561)

Public Health Emergency Preparedness (93.069)

Immunization Grants (CFDA 93.268)

Centers for Disease Control (CDC) and Prevention - Investigations and Technical Assistance (CFDA 93.283)

Temporary Assistance for Needy Families (CFDA 93.558)

Child Support Enforcement (CFDA 93.563)

Low-Income Home Energy Assistance (CFDA 93.568)

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

Foster Care - Title IV-E (CFDA 93.658)

Adoption Assistance (CFDA 93.659)

Social Services Block Grant (CFDA 93.667)

HIV Care Formula Grants (CFDA 93.917)

Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)

We concur with this finding.

- 1) The current procedures will be revised to include using updated AP disbursement, processing daily draws, monthly reconciliation of draws with supporting documentation of any differences, and OFS will explore the option of including daily re-rate transactions into the daily draw process.
- 2) Monthly reconciliations will be performed to compare our monthly cash disbursements to the monthly draws reflected on the cash receipts journal. The monthly reconciliations will be reviewed and approved by the manager of the Cash Management Unit to ensure the efficiency and accuracy of the Cash Management Process.

Contact Person: Toni Babb, Director, Office of Financial Services

Telephone: (404) 656-7999

Finding Control Number: **FS-427-08-05**

### **REVENUES AND RECEIVABLES**

#### **Invalid Accounts Receivable**

We concur with this finding.

The current procedures will be revised to include a monthly reconciliation of DHR A/R transactions, a review of the monthly outstanding receivables report and a requirement of timely adjustments.

Contact Person: Toni Babb, Director, Office of Financial Services

Telephone: (404) 656-7999

Finding Control Number: **FS-427-08-06**

### **EXPENSES/EXPENDITURES AND LIABILITIES**

#### **Inadequate Controls over Operating Leases**

- 1) We will develop Policies and Procedures to address the verification of amounts reported to the SAO for current and future lease obligation.
- 2) OFS will develop a schedule each year identifying the deadlines to provide leases information and will send it to DFCS, purchasing and the institutions.

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

- 3) We will reconcile lease expenditures to be reported to SAO to the lease expenditures recorded in the accounting records by the end of June each year.
- 4) The reconciliation will be reviewed and approved by the OFS director or the designee.

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

Finding Number: **FS-427-08-07**

### **EXPENSES/EXPENDITURES AND LIABILITIES**

Inadequate Documentation of Employee Eligibility for Incentive Payment Awards

We concur with this finding.

- 1) DHR Human Resources/Personnel Policy #803, Incentive Pay and Meritorious Awards, will be modified to strengthen provisions addressing documentation of award payments. Policy changes will specifically address the maintenance and review of adequate documentation prior to an award payment.
- 2) Incentive or meritorious pay plans developed and implemented in DHR from this date forward will contain provisions that address the maintenance and review of adequate documentation prior to any award payment.

Applicable Policies to be amended:

DHR Human Resources/Personnel Policy #803, Incentive Pay and Meritorious Awards;  
Incentive or Meritorious Pay Plans Developed on or after February 24, 2009

Contact Person: Gary Nagel, Deputy Director, OHRMD  
Telephone: (404) 656-6753

Finding Control Number: **FS-427-08-08**

### **EXPENSES/EXPENDITURES AND LIABILITIES**

Questionable Encumbrances and Payables

We concur with this finding.

To address outstanding balances that exist after the contract ends: Effective 3/09, the supervisors will perform a monthly reconciliation. The reconciliation will test open contracts against outstanding PO query.

- A) Effective January 20, 2009, with the implementation of Team Georgia Marketplace eProcurement, Purchase Orders are electronically signed when dispatched. All DHR Purchase Orders now have the Agency Procurement Officer's signature electronically printed upon dispatch. Therefore, with the new Team Georgia Marketplace system, this finding has been addressed.
- B) OFS will develop policy and procedures that will determine a cut-off date for contracts such that contracts will be fully executed before June 30 each fiscal year.
- C) Accounts Payable performs a monthly reconciliation of all liability account balances between the Accounts Payable Module and the General Ledger. We will include a test of validity for each transaction held in a liability account over 30 days.

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FS-427-08-09**  
EXPENSES/EXPENDITURES AND LIABILITIES  
Unrecorded Liabilities

We concur with the finding.

- 1) At the end of the fiscal year A/P will develop a close out check list of all monthly recurring invoices to ensure that the liability for those payments is recorded.
- 2) OFS will establish a policy requiring that all invoices should be received at a central location in A/P. Currently invoices are received throughout DHR and the invoices may not be sent to A/P in time to recognize the liability.

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

Finding Control Number: **FA-427-08-01**  
ACTIVITIES ALLOWED OR UNALLOWED  
ALLOWABLE COSTS/COST PRINCIPLES  
Deficiencies in Contract Monitoring  
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)  
U.S. Department of Human and Health Services  
Grant Award Number: BIGASAPT-07  
Fiscal Year 2008

We concur with this finding.

- 1) We will review the contractual agreement between GSU and DHR in order to determine if reimbursement of \$52,000 from a non-profit subcontractor is appropriate.
- 2) Recoup \$52,000 in unexpended funds if consistent with contractual agreement.
- 3) Effective 2/23/09, we will identify and adhere to appropriate budgetary and contract performance guidelines promulgated by the US Department of Health and Human Services (HHS) and the Georgia Department of Human Resources (DHR), as they pertain to the expenditure of funds used to support continuing education and workforce development activities.

Applicable Policies to be amended: Located at: ODIS – DMHDDAD Policy and Procedures Manual.

Contact Person: Onaje Salim, Director, Office of Addictive Diseases  
Telephone: (404) 657-2386

Finding Number: **FA-427-08-02**  
ALLOWABLE COSTS/COST PRINCIPLES  
Internal Control Deficiencies  
Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)  
State Administrative Matching Grants for Food Stamp Program (FSC) (CFDA 10.561)  
Special Programs for the Aging - Title III, Part C - Nutrition Services (AC) (CFDA 93.045)  
Temporary Assistance for Needy Families (CFDA 93.558)  
Child Support Enforcement (CFDA 93.563)  
Refugee and Entrant Assistance - State Administered Programs (CFDA 93.566)  
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)  
Developmental Disabilities Basic Support and Advocacy Grants (CFDA 93.630)  
Foster Care - Title IV-E (CFDA 93.658)  
State Survey and Certification of Health Care Providers and Suppliers (MC) (CFDA 93.777)  
Medical Assistance Program (MC) (CFDA 93.778)  
U.S. Department of Agriculture, U.S. Department of Human and Health Services

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Various Grant Awards  
Fiscal Year 2008

We concur with this finding.

- 1) Current resources and staffing levels do not allow for a full review of cost allocation data prior to entry to the G/L. However, we conduct a thorough review in the quarter following the cost allocation entries to the G/L. We also have a checklist that is used to ensure completeness (verification that each holding pool, cost pool, and cost center is allocated during the quarter).

After the entries are made, the grants manager reviews and approves the allocations prepared by the cost allocations manager and the accounting manager reviews and approves journal entries prepared by the staff.

We will consider a review of the process, policies, and procedures to determine if the review could be performed before entry to the G/L and if the changes are cost effective.

- 2) The Cost Allocation Plan was amended to correct the distribution method of cost centers that were incorrectly stated as direct charges. Adjustments have been made to correct costs distributed based on RMS that should have been direct charges. New procedures are being used to ensure direct charged cost centers are not included in cost allocation distributions.
- 3) The current procedures will be reviewed to require OFSS to provide a summarized schedule of all payments by division, in addition to the current detailed reports. This summary and the detail reports will be maintained as supporting documentation.

Applicable Policies to be amended located at: Cost Allocation Policies and Procedures – ODIS

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

Finding Number: **FA-427-08-03**

### **CASH MANAGEMENT**

#### **Inadequate Procedures Over Cash Draws of Federal Grants**

Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)

State Administrative Matching Grants for Food Stamp Program (FSC) (CFDA 10.561)

Public Health Emergency Preparedness (93.069)

Immunization Grants (CFDA 93.268)

Centers for Disease Control (CDC) and Prevention - Investigations and Technical Assistance (CFDA 93.283)

Temporary Assistance for Needy Families (CFDA 93.558)

Child Support Enforcement (CFDA 93.563)

Low-Income Home Energy Assistance (CFDA 93.568)

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

Foster Care - Title IV-E (CFDA 93.658)

Adoption Assistance (CFDA 93.659)

HIV Care Formula Grants (CFDA 93.917)

U.S. Department of Agriculture, U.S. Department of Human and Health Services

Various Grant Awards

Fiscal Year 2008

We concur with this finding.

- 1) The current procedures will be revised to include using updated A/P disbursement, processing daily draws, monthly reconciliation of draws with supporting documentation of any differences, and OFS will explore the option of including daily re-rate transactions into the daily draw process.

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

- 2) Monthly reconciliations will be performed to compare our monthly cash disbursements to the monthly draws reflected on the monthly cash receipt journal. The monthly reconciliation will be reviewed and approved by the manager of the Cash Management Unit to ensure the efficiency and accuracy of the Cash Management Process.
- 3) Discrepancies will be quickly identified based on the monthly reconciliations and the appropriate corrective action(s) will be taken to amend all variances if possible. In addition, adequate supporting documents will be maintained to support differences (if any) between the cash draw amounts and the Cash Management System fund requirements.

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

Finding Control Number: **FA-427-08-04**

### **ELIGIBILITY**

#### **Internal Control Deficiencies**

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

U.S. Department of Human and Health Services

Grant Award Number: G-0701GACCDF, G-0801GACCDF

Fiscal Year 2008

We concur with this finding.

Procedures were changed via email to staff in April of 2007. Appendix G in the Child Care Manual was not updated at that time and will be annotated with an "Under Review" description until such time as the written policy can be updated to match the current practice if deemed appropriate. Policy audit trail will be available through the office of the Child Care Unit Director.

Child Care case accuracy reviews are being conducted monthly in both Cherokee and Cobb by way of peer reviews. Second level reviews are subsequently completed on the peer reviews by the CAPs supervisor and/or the CAPs Field Program Specialist.

Applicable Policies to be amended located at: Division of Family and Children Services, Child Care Manual, Appendix G

Contact Person: Jon Anderson, Director, Office of Family Independence  
Telephone: (404) 651-8701

Finding Control Number: **FA-427-08-05**

### **ELIGIBILITY**

#### **Internal Control Deficiencies/Noncompliance with Federal Program Regulations**

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

U.S. Department of Human and Health Services

Grant Award Number: G-0701GACCDF, G-0801GACCDF

Fiscal Year 2008

We partially concur with this finding. We agree that a number of the deficiencies noted in the finding are valid. However, we feel that several factors render the additional deficiencies invalid or questionable:

- We provided the auditors with clarifying information in writing in August 2008 which supported our position on several key issues. We can find no indication that the auditors considered this additional information or followed up with us.
- We have reviewed the deficiencies related to mis-assessed family fees and, in at least 2 instances, disagree with the projected amounts of overpayments, thereby impacting the proposed Questioned Costs identified in the finding.

Corrective Action Steps to be taken:

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Six Month Review – Policy will be revised to omit the requirement per the request of the Field Network Provider or overpayment was/will be identified established and/or referred to OIS if appropriate. Additionally, any published policies which have been superseded by communicated changes to common practice, will be annotated with an “Under Review” notation, until such time as the policy can be rewritten. The policy audit trail will be maintained in the office of the Program Unit Manager.

An analysis of the deficiencies in the cases identified by the audit will be used to determine how the case maintenance and review procedures can be strengthened. Additional steps will be taken to ensure compliance with case management and documentation requirements. It is not anticipated that changes will be required in policies and procedures. Accountability will be enhanced where deficient. Interactions between program policy staff and field staff will be supervised by Assistant Commissioner, DHR, to ensure results.

Applicable Policies to be amended located at: ODIS 6902, Childcare and Parent Services Manual

Contact Person: Jon Anderson, Director, Office of Family Independence  
Telephone: (404) 651-8701

Finding Control Number: **FA-427-08-06**

### **ELIGIBILITY**

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Foster Care - Title IV-E (CFA 93.658)

U.S. Department of Human and Health Services

Grant Award Number: 0801GA1401

Fiscal Year 2008

We concur with this finding.

The SHINES implementation was completed in FY 2008. However, there is ongoing data cleansing, validation of case records and clarification and refining of procedures underway. The automated system will maintain a record of payments per child as well as provider. Paper forms will be phased out of use with the exception of historical re-rates for periods of time not maintained in SHINES. Policy will be revised accordingly.

DHR/DFCS has established a Fiscal Goal to achieve 95% payment of invoices through SHINES rather than in the SMILE accounting system by June 30, 2009.

Internal controls will be strengthened with the following corrective actions:

- SHINES generated Alert to assigned SSCM 90 days prior to a child's 18<sup>th</sup> birthday. SSCMs must submit a Notification of Change (NOC) prior to child's 18<sup>th</sup> birthday to Revenue Maximization for eligibility determination and funding type change.
- State Office will send notification to County Directors to generate a monthly SHINES report for all IV-E children turning 18 within 30 days to verify that the SHINES Alert and the NOC have been worked for SSCM accountability.
- Field Operations staff will develop and implement a tracking mechanism to ensure that the SHINES Alert and NOC have been completed prior to month of child's 18<sup>th</sup> birthday.
- SHINES staff will provide monthly detailed exception reports for Relative Care, Foster Care and RBWO transactions paid through SMILES instead of through SHINES. The Payment Exception Reports will be distributed to County Field staff, Regional Accounting staff and the SHINES staff for research and resolution.

Payment of invoices will be through SHINES rather than the SMILE accounting system by June 30, 2009. Regional Accounting staff will review the Eligibility Page Summary for IV-E as determined by RevMax for accurate funding source. Regional Accounting will not override the funding determination without RevMax supervisory approval.

Contact Person: Cliff O'Conner, Deputy Division Director for Finance and Administration



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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FA-427-08-07**

### **ELIGIBILITY**

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Adoption Assistance (CFDA 93.659)

U.S. Department of Human and Health Services

Grant Award Number: 0801GA1407

Fiscal Year 2008

We concur with this finding.

### **Corrective Action Steps to be Taken:**

**SHINES Program:** The new Adoption Assistance component will assist in resolving both of these issues as there are safe guards built in to assure no child can be paid IV-E adoption assistance after their 18<sup>th</sup> birth month and no child can be paid IV-B adoption assistance after their 21<sup>st</sup> birth month. Another component will ensure no child can be paid twice in a given month by the same funding source. Shines should be fully operational by 06/01/09.

**Regional Accounting:** Will ensure a monthly notification list for all IV-E children turning 18 or IV-B children turning 21 is sent to the county case worker and their supervisor 60 days prior to termination of benefits to ensure all required paperwork is completed in a timely manner. Regional accounting staff will ensure a tracking mechanism is developed and implemented for the monthly adoption assistance verification lists sent to the counties are completed and returned in a timely manner per policy. Regional accounting staff will ensure all adoption assistance payments are paid only to adoptive parents. SAU will provide training to regional accounting staff in who can legally receive adoption assistance payments.

**Field Operations:** Will ensure a tracking mechanisms is developed and implemented to ensure all adoption assistance verification list generated by Regional Accounting is reviewed, signed by appropriate staff (the case manager and supervisor) and returned in a timely manner per policy. Field Operations staff will ensure a tracking mechanism is developed and implemented to ensure the monthly adoption assistance verification lists sent by regional accounting staff are completed and returned to regional accounting staff.

**REV MAX Unit** will develop and post a IV-E Eligibility Determination record retention schedule to ensure staff understand record management policies/procedures and develop and implement a IV-E Eligibility Determination file checklist to ensure all files contain the federally mandated forms in a consistent manner. All REV MAX staff will be trained in the utilization of both.

**Field Operations:** Will ensure all Adoption Assistance Agreements (Form 402) have the appropriate signatures in accordance to policy 109.15 by developing and implementing a tracking form to ensure proper routing and signatures are obtained prior to execution of the agreement.

**SAU Unit:** Will provide statewide training on completing adoption assistance agreements in accordance with policy 109.15.

Contact Person: Mark Washington, Assistant Commissioner, DHR

Telephone: (404) 657-5112

Finding Control Number: **FA-427-08-08**

### **ELIGIBILITY**

### **SPECIAL TESTS AND PROVISIONS**

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Child Support Enforcement (CFDA 93.563)

U.S. Department of Human and Health Services

Grant Award Number: 0704GA4004, 0804GA4004

Fiscal Year 2008

We concur with this finding.

In response to a finding issued in the SFY 2007 State Audit, we implemented the following corrective actions:

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## Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008

- Developed a standard case review process
- Implemented changes to the procedures for entering court order data into the \$TARS system
- Contracted with an outside vendor to handle certain medical support cases

Due to implementation of these changes late in FY 08, we had not yet realized the full benefit of the improvements at the time of the current audit fieldwork. After evaluating the current finding, we have determined to implement these additional steps:

1. Continue on-going training of case managers and local management. Implement the Monitoring and Accountability phase of our work by holding bi-monthly web cast progress meetings with all Region Managers. Continuous training will be staggered to cover all regions. Training will be mandatory and a log of attendance will be maintained. Expect to complete by December 31, 2009.
2. In 2007, we developed the Standard Case Review Process, and supervisors were trained. Each month managers must report to the acting Director of Field Operations to ensure that standard case reviews are performed consistently and include cases from each function (intake, establishment, enforcement, etc.)
3. To address the Health insurance and Medical support issues (2008#10&11), we assigned an OCSS liaison to work with the private vendor to ensure that the availability and affordability of Health insurance for the non-custodial parent is properly documented on \$TARS. The Director of the Policy Unit will be accountable for monitoring compliance.

Applicable Policies to be amended: Existing case management procedures are in the Employee Reference Guide, Training & Staff Development Unit will maintain training attendance records.

Contact Person: Keith Horton, Director, Office of Child Support Services  
Telephone: (404) 657-2347

Finding Control Number: **FA-427-08-09**

### REPORTING

Failure to Accurately Report Transfers of TANF Funds  
Temporary Assistance for Needy Families (CFDA 93.558)  
U.S. Department of Human and Health Services  
Grant Award Number: G-0602GATANF  
Fiscal Year 2008

We concur with this finding.

- 1) We will develop policies and procedures for properly reporting TANF transfers in the ACF-196 financial reports.
- 2) ACF-196 reports will be reviewed by management, and the supporting documents will be verified.
- 3) On a go forward basis we will reconcile the TANF reports to the general ledger prior to submitting to Federal reporting agencies. We will also investigate differences between the General Ledger and Federal reports quarterly and make appropriate adjustments timely.

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

Finding Control Number: **FA-427-08-10**

### REPORTING

Failure to Submit an Accurate Schedule of Expenditures of Federal Awards  
Public Health and Social Services Emergency Fund (CFDA 93.003)  
Immunization Grants (CFDA 93.268)  
Hospital Preparedness Program (CFDA 93.889)  
Preventive Health Services Sexually Transmitted Diseases Control Grants (CFDA 93.977)  
Various Grant Awards

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Fiscal Year 2008

We concur with this finding.

- 1) We will implement policies and/or procedures to ensure that Federal awards or nonmonetary amounts are reconciled and reported on the Schedule correctly.
- 2) We will write and develop adequate policies and/or procedures to ensure that amounts paid to subrecipients are reported on the Schedules correctly.

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

Finding Control Number: **FA-427-08-11**

### **REPORTING**

Internal Control Deficiencies

Temporary Assistance for Needy Families (CFDA 93.558)

U.S. Department of Human and Health Services

Grant Award Number: G-0702GATANF, G-0802GATANF

Fiscal Year 2008

We concur with the finding.

In response to a Finding in the SFY 2007 State Audit, we developed a corrective action plan that was effective April 2008 to address this issue. Due to the implementation late in FY 2008, we had not yet realized the full benefit of the changes at the time of the current audit fieldwork. We feel confident that the plan that we implemented to address areas of weakness in internal controls identified by the auditors is adequate at this time. We will conduct a root cause analysis to determine why any part of the plan does not achieve its' goal. Once the root cause analysis is completed, we will make needed adjustments to that plan.

Contact Person: Donna Gunter, TANF Unit Chief  
Telephone: (404) 657-3737

Finding Control Number: **FA-427-08-12**

### **REPORTING**

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Temporary Assistance for Needy Families (CFDA 93.558)

Child Support Enforcement (CFDA 93.563)

Child Care and Development Block Grant (CFDA 93.575)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)

Foster Care - Title IV-E (CFDA 93.658)

Adoption Assistance (Title IV-E) (CFDA 93.659)

U.S. Department of Human and Health Services

Grant Award Number: G-0702GATANF, G-0802GATANF, 0704GA4004, 0804GA4004, G-0701GACCDF, G-0801GACCDF, 0801GA1401, 0801GA1407.

Fiscal Year 2008

We concur with this finding.

- 1) We are implementing a policy to submit Federal Financial reports timely as required.
- 2) All reports will be approved, dated, and certified by the Director of Financial Services.
- 3) Effective 4/30/09, we will reconcile TANF reports to the general ledger prior to submitting Federal reporting agencies.

Investigate differences between GL and Federal reports quarterly and complete appropriate adjustments.

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

Finding Control Number: **FA-427-08-13**

### **REPORTING**

Internal Control Deficiency/Noncompliance with Federal Program Regulations  
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)  
U.S. Department of Human and Health Services  
Grant Award Number: 06B1GASAPT  
Fiscal Year 2006

We concur with this finding.

Effective 6/30/09, we will establish policies and procedures for Financial reporting and implement additional procedures at the division level in order to ensure that the financial status reports are properly completed, reviewed and submitted by the required due date.

Contact Person: Lynn Vellinga, Chief Accountability Officer  
Telephone: (404) 463-4304

Finding Control Number: **FA-427-08-14**

### **REPORTING**

Noncompliance with Federal Regulations  
Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)  
Through – Ross Products, Inc.  
Fiscal Year 2008

We concur with the finding.

DHR incorrectly reported pass-through Federal funding from Abbott Labs for several years including SFY 2008. The actual monies received are rebates from purchases from Abbott Labs, as a vendor to the WIC program. DHR will take steps to ensure that this item does not get reported in subsequent years as subrecipient pass-through funding.

Contact Person: Toni Babb, Director, Office of Financial Services  
Telephone: (404) 656-7999

Finding Control Number: **FA-427-08-15**

### **SUBRECIPIENT MONITORING**

Inadequate Monitoring of Subrecipients  
HIV Care Formula Grants (CFDA 93.917)  
U.S. Department of Human and Health Services  
Grant Award Number: X07HA00040  
Fiscal Year 2008

We concur with the finding.

All site visits have been completed. Procedures have been established to ensure reviews are completed in the future.

Beginning July 1, 2009 all Grant In Aid Annexes will be updated to reflect new policy regarding site visits. New policy will state "Funded service providers shall participate in a performance review (administrative site visit) of the Part B program to be conducted by the state office liaison and/or other team members a minimum of once per year. Minimum requirements for site visits will be contingent on liaison team staffing and ability to receive approval for travel".

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Grant In Aid Annexes have been updated to reflect new policy that Administrative Site Visits will take place during the funding cycle of April 1, 2009-March 31, 2010 versus the current October 1 deadline that is included. Time stamps are being ordered for liaison team staff to properly track and log date of receipt of reports for health districts.

District Liaison have utilized alternative resources to provide technical assistance and on-going site monitoring of sites in lieu of current travel restrictions (e.g. email communications, conference calls). Calendar site visits will be submitted during the first 60 days of receipt of grant period beginning April 1, 2009. This will assist liaisons with receiving approvals for travel for Administrative Site Visits in advance from DHR leadership. The calendar will also allow health districts to be informed of intent for liaison to visit and sites can prepare.

Contact Person: Michelle Conner, Senior Director, Office of Essential Prevential Clinical Services  
Telephone: (404) 657-4226

Finding Control Number: **FA-427-08-16**

### **SPECIAL TESTS AND PROVISIONS**

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Temporary Assistance for Needy Families (CFDA 93.558)

U.S. Department of Human and Health Services

Grant Award Number: G-0702GATANF, G-0802GATANF

Fiscal Year 2008

We concur with this finding.

DFCS developed a corrective action plan that began April 21, 2008 to address this issue. We feel confident that the plan that we implemented to address areas of weakness in internal controls identified by the auditors is adequate at this time.

We will conduct a root cause analysis to determine why any part of the plan did not achieve its' goal. Once the root case analysis is complete, we will make needed adjustments to that plan.

To ensure that all requests to terminate benefits are sent to DFCS, we will do the following:

1. In January 2009 OCSS revised the Policies and Procedures ERG 3800 to clarify that the employee will request the termination of benefits once non-cooperation was determined.
2. To ensure that the request was sent to DFCS, we will reconcile the monthly "did-not-cooperate" cases with the requests sent to DFCS to terminate benefits.
  - a. We will evaluate the possibility to add a field to \$TARS system to track that the benefits termination requests were sent.
  - b. If system cannot be economically enhanced, we will perform manual reconciliations of non-cooperation cases with requests to terminate benefits sent.

Applicable Policies to be amended located at: Employee Manuals in the OCSS Website ERG#800.

Contact Person: Mark Washington, Assistant Commissioner, DHR  
Telephone: (404) 657-5112

### ***Governor's Council on Developmental Disabilities***

Finding Control Number: **FA-427-08-100**

### **ACTIVITIES ALLOWED OR UNALLOWED**

### **ALLOWABLE COSTS/COST PRINCIPLES**

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

Developmental Disabilities Basic Support and Advocacy Grants (CFDA 93.630)

We concur with the findings of the special report as it relates to the former fiscal officer's actions which we believe were limited to her and not widespread in the organization. The charges paid to the fictitious vendor were created and approved by the former fiscal officer without the knowledge of GCDD staff. In fact, many of the charges were made against a "Real

# State of Georgia

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## Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008

Communities" initiative that the GCDD members did not approve until July with a start date of October 1, 2008. Because the former fiscal officer was the GCDD's Fiscal Officer it was expected that she would have contact with Department of Human Resource fiscal, contracting and budget staff. It is not unusual for GCDD staff to request checks be expedited because of the nature of our operations and the individuals that we work with daily.

We do want to respond to your concerns about our hiring practices. A team of three people interviewed the former fiscal officer and other candidates. Background calls were made to those she used as references. We were told that she had performed well in those positions and was offered the position based on her supposed experience, education, and personal involvement in disability. It was not until she was removed from her position that we were told that those we called were relatives and not employees of the agencies and that her educational background may have been falsified.

The GCDD staff and members worked cooperatively with the agents of your office to make sure that all data was available and to find any possible funds that may have been taken improperly. Staff kept members included in all discussions and there were several meetings with members to discuss actions needed to ensure that these kinds of incidents did not happen in the future. The GCDD Executive Committee and Finance Committee have worked with staff to identify problems in our accounting and oversight system and have taken a number of steps to correct these.

1. GCDD hired a previous Fiscal Officer who has and is conducting a complete audit of all fiscal operations. He is recreating an accounting system and reviewing each transaction made during the former fiscal officer's tenure. To date, the GCDD is working to implement a QuickBooks accounting system that will provide transparency for staff and members.
2. We are continuing to put into place controls around separation of duties and oversight of State issued Purchasing Cards.
3. We will be discussing with the Department of Human Resources how to make sure that there is additional oversight on checks supported with GCDD funds. Internally we will require at least two signatures for approval of all checks that require an expedited process.
4. GCDD has had conversations with the National Association of Councils on Developmental Disabilities about providing technical assistance dollars to hire a consultant for the purposes of designing and recommending an internal oversight process to make sure that all fiscal operations follow best practices.

Contact Person: Eric Jacobson, GCDD Executive Director  
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## JUDICIAL COUNCIL

Finding Control Number: **FS-434-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
GENERAL LEDGER

Failure to Maintain a Comprehensive Balance Sheet

The AOC does not concur with is recommendation. The official State of Georgia Accounting Policies and Procedures maintained by the State Accounting Office (located at <http://sao.georgia.gov/02/sao/home/0,2474,39779022,00.html>) does not require nor provide guidance on the use of stand alone trial balances for these agencies. Furthermore, these policies and procedures have not been updated to reflect current budgetary compliance requirements set forth in current appropriations acts for the State of Georgia. Internal financial reporting is designed expressly to meet management needs, so management is free to select whatever format or contents it finds most suitable for its internal financial reports. Management made a conscious decision to identify agencies as 'organizations' on the accounting records. We believe that the recommendation above would unnecessarily complicate each transaction posted and could lead to misstatements. Further, one of the three implementation constraints 'cost-benefit' reveals that the time and resources necessary to carry out a change in this nature far exceed any added benefit received. The AOC presents fairly the financial position of each of these agencies in the financial statements transferred to the State Accounting Office. "Comprehensive" balance sheet and operating activity for all organizations maintained by the AOC are generated and available on a monthly basis at a minimum. The AOC meets its objectives of internal and external reporting through both Operational and Fiscal Accountability. All requests for financial data from the Council of Juvenile Courts and the Judicial Council have and will be fulfilled.

# State of Georgia

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## Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008

Contact Person: Thomas Randall Dennis, Associate Director  
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### SUPERIOR COURTS

Finding Control Number: **FS-436-08-01**  
CASH AND CASH EQUIVALENTS  
Failure to record reconciling items on General Ledger

We concur with this finding. We have made a key change in staff in the Fiscal Office of The Council of Superior Court Judges which is expected to have an immediate favorable impact upon the timeliness and effectiveness of our account reconciliations and the associated research. In addition, the communications between those involved in the reconciliations are more frequent, the knowledge transfer is improved, more consequential and results oriented than in the past.

As reconciling items are identified and researched in the account reconciliation process, the appropriate book adjustments will then be timely recorded in the general ledger.

Contact Person: Michelle D. Calhoun, Council of Superior Courts Judges Fiscal Office Accounting Manager  
Telephone: (404) 463-3543; Fax: (404) 463-3548; E-mail: calhounm@superior.courts.state.ga.us

### DEPARTMENT OF LABOR

Finding Control Number: **FS-440-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
Inadequate Supporting Documentation for Adjusting Journal Entries

We concur in with this finding in part with following explanation.

The notation above citing "accounting controls (overall)" is misleading. The finding relates only to issues dealing with journal entries and does not extend further. The notation used above implies a larger scope of issues than actually exists.

The Department acknowledges further documentation could accompany adjusting journal entries and will implement procedures to improve that condition in subsequent periods. It should be noted that the procedure for documenting journal entries has remained the same in all previous years and this longstanding approach has not been problematic in prior reviews.

Contact person: John T. Williams, Accounting Director  
Telephone: (404) 232-3575; Fax: (404) 232-3578; E-mail: JohnT.Williams@dol.state.ga.us

#### AUDITOR CONCLUDING REMARKS TO FINDING FS-440-08-01

*The Department states that this is an issue that deals "with journal entries only and does not extend further". Yet, it is through journal entries that controls may be circumvented, thus affecting all aspects of financial and federal program reporting. The lack of identification of specific transactions within the adjusting journal entries circumvents our ability to test compliance with program budgeting requirements and the allowability of expenses within Federal programs.*

Finding Control Number: **FS-440-08-02**  
BUDGET  
Program Budgeting Deficiencies

We concur with this finding with the following explanation.

# State of Georgia

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## Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008

The Georgia Department of Labor maintains its accounting records on the FARS (Federal Accounting and Reporting System) accounting system which is used by many other State Labor Departments across the Country. As noted by the auditors, this system does not facilitate maintaining accounting records on a program basis as the system is designed primarily to provide information to the U.S. Department of Labor in a uniform reporting format from the various States. Because of the system constraints, extensive special programming and changes in the chart of accounts would be required to accomplish production of an ongoing set of program budget reports. It is noted that this condition has not prevented the department from providing quarterly or annual expense reports by program, as required.

Contact person: John T. Williams, Accounting Director  
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Finding Control Number: **FS-440-08-03**  
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY  
Inadequate Bank Reconciliation Procedures

We concur with this finding in part with the following explanation.

The notation above citing "Cash, Investments and Related Activity" is incorrect. The finding relates only to issues dealing with bank reconciliation issues and in no way extends to investments and related activity. The notation used above implies a larger scope of issues than actually exists.

Items 1 through 5 address issues that occurred with remote locations and not issues associated with the central administrative office. The Department will implement procedures to improve bank reconciliation procedures with these remote locations.

It should be understood that item 6 does not state bank reconciliations for the accounts noted were in error or incomplete, just that reconciling items were not corrected timely. The Department will implement procedures to improve the timeliness of making corrections to the books as indicated by the bank reconciliations.

Contact person: John T. Williams, Accounting Director  
Telephone: (404) 232-3575; Fax: (404)232-3578; E-mail: JohnT.Williams@dol.state.ga.us

### AUDITOR CONCLUDING REMARKS TO FINDING FS-440-08-03

*The control category "Cash, Investments, and Investment-Related Activity" utilized by the Department of Audits and Accounts is consistent with the AICPA Audit and Accounting Guide for State and Local Governments. The Department of Labor should ensure that adequate controls over cash are implemented and followed for all cash accounts maintained by the Department, regardless of location.*

Finding Control Number: **FS-440-08-04**  
REVENUES AND RECEIVABLES  
GENERAL LEDGER  
Deficiencies in General Ledger and Federal Fund Ledgers

As in prior years, the Department continues to maintain that conceptually, there is nothing wrong with a fund ledger having a credit balance in an accounts receivable account in situations where more cash has been credited to that ledger than has been expended. A credit in accounts receivable is precisely what should appear in the FARS general ledger in such situations.

As noted in the finding, these credit accounts receivable balances were correctly reported as deferred revenue on the financial statements submitted for audit. The Department believes this condition should not be reported as a **fund ledger deficiency**.



# State of Georgia

## Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008

Contact person: John T. Williams, Accounting Director  
Telephone: (404) 232-3575; Fax: (404)232-3578; E-mail: JohnT.Williams@dol.state.ga.us

### AUDITOR CONCLUDING REMARKS TO FINDING FS-440-08-04

*As noted in the Single Audit Report for fiscal year 2007, accounts receivables should have a debit balance and Federal funds should only be drawn down as needed to cover Federal expenditures charged to that particular fund ledger. The fund ledgers should be frequently reviewed and monitored to correct fund ledgers that contain account receivables with credit balances.*

Finding Control Number: **FS-440-08-05**  
REVENUES AND RECEIVABLES  
GENERAL LEDGER  
Inadequate Procedures Over Cash Draws of Federal Grants

We concur with this finding.

Procedures will be implemented to improve the methodology used to draw down cash on the Federal Programs noted in the finding.

Contact person: John T. Williams, Accounting Director  
Telephone: (404) 232-3575; Fax: (404)232-3578; E-mail: JohnT.Williams@dol.state.ga.us

Finding Control Number: **FS-440-08-06**  
EXPENSES/EXPENDITURES AND LIABILITIES  
Failure to Calculate Unemployment Compensation Benefits According to State Law

We concur with this finding in part with the following explanation.

As noted in the finding, changes were made in State Law, effective July 1, 2007, which changed the methodology used to calculate unemployment compensation benefits. The Department of Labor acknowledges incorrect payments were made for a portion of fiscal year 2008. However, internal controls of the Department detected this situation and the Department immediately took corrective action.

The Department has implemented procedures to ensure this condition does not reoccur in subsequent periods.

Contact person: Robert E. Thomas – Unemployment Insurance  
Telephone: (706) 583-2613; E-mail: Robert.Thomas@dol.state.ga.us

### AUDITOR CONCLUDING REMARKS TO FINDING FS-440-08-06

*The Department states that "internal controls of the Department detected this situation and the Department immediately took corrective action". Changes in State Law were effective as of July 1, 2007, yet the Department did not realize/correct the overpayments until November 29, 2007 which was five months later. In addition, the Department did not notify claimants of possible underpayments until May 12, 2008.*

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FS-440-08-07**  
EXPENSES/EXPENDITURES AND LIABILITIES  
Inadequate Supporting Documentation

We concur with this finding with the following explanation.

The Department's Budget Office is responsible for the assignment of funding sources used to fund various contracts for services to be performed for the Department. The matter discussed in the finding occurred because the funding sources initially assigned by the Department's Grants and Contracts Office to contracts were not consistent with final funding sources assigned by the Budget Office.

Procedures have been implemented to ensure that grant documentation maintained by the Grants and Contract Office of the Department agrees with documentation maintained by the Budget Office used for the assignment of funding sources for contracts.

Contact person: John T. Williams, Accounting Director  
Telephone: (404) 232-3575; Fax: (404)232-3578; E-mail: JohnT.Williams@dol.state.ga.us

Finding Control Number: **FS-440-08-08**  
EXPENSES/EXPENDITURES AND LIABILITIES  
Overpayment of Unemployment Compensation Benefits

We do not concur with the opinion to cite this item as a finding.

The concern expressed is factually correct. However, the monetary errors noted by the auditors in the finding totaled \$23,640 for the full 2008 fiscal year. These errors are not based on a sample of the population, but instead, according to the auditors, are errors obtained through analytical procedures conducted by the auditors on the entire population of data. The expenses of the Unemployment Compensation Program totaled \$774,000,000 for fiscal year 2008. This is not a material amount of money (.0030% of the total expenses for the year) and, therefore, the Department's view, does not warrant being cited as a finding.

Contact person: Robert E. Thomas – Unemployment Insurance  
Telephone: (706) 583-2613; E-mail: Robert.Thomas@dol.state.ga.us

### **AUDITOR CONCLUDING REMARKS TO FINDING FS-440-08-08**

*The Department does not correctly explain our audit procedures to test for overpayment of unemployment compensation benefits. The procedures in question were not analytical procedures, but specific queries performed not only on fiscal year data, but also on benefit year data. Also, we perform various other tests besides sampling to determine the accuracy of account balances. Our finding also cites a lack of adequate edits and supervisory review and approval procedures over the issuance of deficiency checks which contributed to the overpayments. The Department failed to address these issues.*

Finding Control Number: **FS-440-08-09**  
EXPENSES/EXPENDITURES AND LIABILITIES  
GENERAL LEDGER  
Overstatement of Account Balance

We concur with this finding in part with the following explanation.

The Department acknowledges the overstatement described by the auditors but believes the auditors' description of the condition for this matter is vague and does not properly characterize what actually occurred.

# State of Georgia

## Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008

There were no posting errors involved as stated in the finding in that the accounting system functioned as designed. The error resulted, because for one contract, when partial payments were made against the contract, the Purchasing Department erroneously de-obligated the remaining balance of the obligation, and then immediately re-obligated the unearned portion of the contract. These actions were repeated for multiple partial payments made during the fiscal year. These actions caused both an overstatement of surplus and an overstatement of expenditures for fiscal year 2008. As noted in the finding these overstatements were corrected by journal entry on the financial statements.

The Department will implement procedures to ensure that partial payments are correctly accounted for in the future.

Contact person: John T. Williams, Accounting Director  
Telephone: (404) 232-3575; Fax: (404)232-3578; E-mail: JohnT.Williams@dol.state.ga.us

### AUDITOR CONCLUDING REMARKS TO FINDING FS-440-08-09

*The Department states that the overstatement in the account did not result from posting errors since the accounting system functioned as designed. The Department further explains that the balance of a contract was erroneously de-obligated and then re-obligated when payments were made on the contract. These circumstances described by the Department are defined as posting errors.*

Finding Control Number: **FS-440-08-10**  
GENERAL LEDGER  
Deficiencies in Account Balances

We concur with the finding with the following explanation:

The problem cited by the auditors was caused by a minor flaw in the logic used in writing of the query to identify accounts receivable and deferred revenue as of June 30, 2008. This matter will be addressed in fiscal year 2009 when queries are updated and will occur in advance of our production of the financial statements. It should be noted that this condition did not result in any adjustments being required in preparation for the 2008 fiscal year financial statements.

Contact person: Robert E. Thomas – Unemployment Insurance  
Telephone: (706) 583-2613; E-mail: Robert.Thomas@dol.state.ga.us

Finding Control Number: **FS-440-08-11**  
GENERAL LEDGER  
Inadequate General Ledger

We concur with this finding in part with the following explanation.

The Department of Labor acknowledges that the HOST system currently used to process and account for transactions relating to the Unemployment Compensation Insurance Program is not a formal accounting system. However, over the last four years, a formal chart of accounts has been developed to facilitate preparation of financial statements and multiple queries have been written and continually revised to produce financial information that is used to prepare the Department of Labor's Financial statements for the Unemployment Compensation Insurance Program. We have invested extensive effort to establish that the current system is effectively utilized until a suitable formal accounting system can be acquired and implemented. The financial statements generated have substantial supporting documentation and have been audited and accepted by DOAA without qualification.

The Department of Labor will continue to research other state's UI systems in order to determine the most cost effective approach to integrate the HOST system or update its accounting capabilities while continuing the day-to-day business as required.

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact person: Robert E. Thomas – Unemployment Insurance  
Telephone: (706) 583-2613; E-mail: Robert.Thomas@dol.state.ga.us

Finding Control Number: **FA-440-08-01**

### **ACCOUNTING CONTROLS (OVERALL)**

Inadequate Supporting Documentation for Adjusting Journal Entries  
Employment Service/Wagner-Peyser Funded Activities (ESC) (CFDA 17.207)  
Disabled Veterans' Outreach Program (DVOP) (ESC) (CFDA 17.801)  
Local Veterans' Employment Representative Program (ESC) (CFDA 17.804)  
Unemployment Insurance Administration (UI) (CFDA 17.225)  
Rehabilitation Services - Vocational Rehabilitation Grants to States (CFDA 84.126)

We concur in with this finding in part with following explanation.

The notation above citing "accounting controls (overall)" is misleading. The finding relates only to issues dealing with journal entries and does not extend further. The notation used above implies a larger scope of issues than actually exists.

The Department acknowledges further documentation could accompany adjusting journal entries and will implement procedures to improve that condition in subsequent periods. It should be noted that the procedure for documenting journal entries has remained the same in all previous years and this longstanding approach has not been problematic in prior reviews.

Contact person: John T. Williams, Accounting Director  
Telephone: (404) 232-3575; Fax: (404)232-3578; E-mail: JohnT.Williams@dol.state.ga.us

### **AUDITOR CONCLUDING REMARKS TO FINDING FA-440-08-01**

*The Department states that this is an issue that deals "with journal entries only and does not extend further". Yet, it is through journal entries that controls may be circumvented, thus affecting all aspects of financial and federal program reporting. The lack of identification of specific transactions within the adjusting journal entries circumvents our ability to test compliance with program budgeting requirements and the allowability of expenses within Federal programs.*

Finding Control Number: **FA-440-08-02**

### **CASH MANAGEMENT**

Inadequate Procedures over Cash Draws of Federal Grants  
Employment Service/Wagner-Peyser Funded Activities (ESC) (CFDA 17.207)  
Disabled Veterans' Outreach Program (DVOP) (ESC) (CFDA 17.801)  
Local Veterans' Employment Representative Program (ESC) (CFDA 17.804)  
Unemployment Insurance Administration (UI) (CFDA 17.225)

We concur with this finding.

Procedures will be implemented to improve the methodology used to draw down cash on the Federal Programs noted in the finding.

Contact person: John T. Williams, Accounting Director  
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# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FA-440-08-03**  
PERIOD OF AVAILABILITY OF FEDERAL FUNDS  
Expenses Recorded Outside of Grant Period  
Unemployment Insurance Administration (UI) (CFDA 17.225)

We concur with this finding.

The Department will implement procedures to ensure expenses for this Federal program are recorded in the correct grant period.

Contact person: John T. Williams, Accounting Director  
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### **DEPARTMENT OF JUVENILE JUSTICE**

Finding Control Number: **FS-461-08-01**  
EXPENSES/EXPENDITURES AND LIABILITIES  
Questionable Encumbrances and Payables

We concur with this finding. As part of our regular fiscal year-end closeout procedures, we review all encumbrances that have been in effect for more than twelve months. In the absence of contractual stipulations, we will void such encumbrances. Unfortunately, at 2008 fiscal year-end we were short staffed and could not fully and efficiently complete this review. Several of the encumbrances in question were paid via regular voucher during the year in which they were established; therefore the encumbrance was never deleted.

We will ensure a full review of all outstanding encumbrances will be performed prior to the close of the fiscal year 2009.

Contact Person: Doug Peetz, Director of Financial Services  
Telephone: (404) 508-6620; Fax: (404) 508-5086, E-mail: Doug.Peetz@djj.state.ga.us

### **DEPARTMENT OF NATURAL RESOURCES**

Finding Control Number: **FS-462-08-01**  
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY  
Inadequate Bank Reconciliation Procedures

We concur with this finding. Internal controls have been reviewed and processes are being more closely monitored by supervisory staff to ensure that policies and procedures are being adhered to in all instances. Supervisor in Cash Management is documenting review and approval of monthly reconciliations. More supervision and training is being provided to the employee who is responsible for the bank reconciliations in order to ensure that all problems in this area are completely resolved. A second review of the bank statement reconciliations will be done at the end of the Fiscal Year to ensure the reconciliation is presented in the proper manner.

Contact Person: Michele Bonner, Chief Financial Officer  
Telephone: (404) 656-3527; Fax: (404) 463-6688, E-mail: mbonner@dnr.state.ga.us

Finding Control Number: **FS-462-08-02**  
EXPENDITURES/LIABILITIES/DISBURSEMENTS  
Unrecorded Liabilities

We concur with this finding. Division Directors and Division staff are being instructed to submit all invoices to Accounting when received, especially at the end of the fiscal year. Failure to submit invoices to Accounting in a timely manner will result in disciplinary action for the Division that fails to submit invoices in a timely fashion prior to the close of the fiscal year.

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact Person: Michele Bonner, Chief Financial Officer  
Telephone: (404) 656-3527; Fax: (404) 463-6688, E-mail: mbonner@dnr.state.ga.us

Finding Control Number: **FS-462-08-03**  
EXPENDITURES/LIABILITIES/DISBURSEMENTS  
Exceptions Related to Purchasing Card Transactions

We concur with this finding. Internal controls have been reviewed. Updated policies and procedures have been provided to all staff who have purchasing cards and to their supervisor who is responsible for approving the purchasing card expenditures. A list of all cardholders and the approving supervisor for each card has been provided to all impacted staff. Additional training is being provided to cardholders and approvers regarding the purchasing card policies and procedures with emphasis on prohibition of paying sales tax and also emphasizing items which are not authorized items for purchase with the purchasing card. Additional desk audits will be conducted monthly on purchasing card transactions.

Contact Person: Michele Bonner, Chief Financial Officer  
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Finding Control Number: **FS-462-08-04**  
CAPITAL ASSETS  
Inadequate Capital Asset Records – Land

We concur with this finding. Steps are being taken to be in compliance with the Accounting Procedures Manual. The database is being corrected to ensure that the land value is recorded at the proper value and that documentation is provided and agrees with the database.

Contact Person: Michele Bonner, Chief Financial Officer  
Telephone: (404) 656-3527; Fax: (404) 463-6688, E-mail: mbonner@dnr.state.ga.us

Finding Control Number: **FS-462-08-05**  
CAPITAL ASSETS  
Inadequate Capital Asset Records – Buildings and Building Improvements

We concur with this finding. Steps are being taken to be in compliance with the Accounting Procedures Manual. The buildings database is being reviewed to ensure that the values recorded in the database for buildings agree with the supporting documentation. Staff is attempting to obtain supporting documentation for buildings where no documentation is currently in the files.

Contact Person: Michele Bonner, Chief Financial Officer  
Telephone: (404) 656-3527; Fax: (404) 463-6688, E-mail: mbonner@dnr.state.ga.us

Finding Control Number: **FS 462-08-06**  
CAPITAL ASSETS  
Inadequate Capital Asset Records – Improvements Other Than Buildings

We concur with this finding. Steps are being taken to be in compliance with the Accounting Procedures Manual. Files are being reviewed to ensure that they contain supporting documentation and the database is being reviewed to ensure that the amounts recorded in the database agree with the supporting documentation.

Contact Person: Michele Bonner, Chief Financial Officer  
Telephone: (404) 656-3527; Fax: (404) 463-6688, E-mail: mbonner@dnr.state.ga.us

Finding Control Number: **FS-462-08-07**  
CAPITAL ASSETS  
Inadequate Capital Asset Records – Machinery and Equipment

We concur with this finding. Steps are being taken to be in compliance with the Accounting Procedures Manual. Random

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

inventories are being performed during the year at various locations throughout the state to ensure compliance. Quarterly review and confirmation of inventory at each field offices is being conducted. The items currently included on the inventory listing are being reviewed to ensure that the department still has these assets and if they have been surplused that they are removed from the currently inventory.

Contact Person: Rhonda Martin Henslee, Purchasing Manager  
Telephone: (404) 656-3527; Fax: (404) 463-6688, E-mail: rhonda\_henslee@dnr.state.ga.us

Finding Control Number: **FA-462-08-01**  
**REPORTING**  
Failure to Submit Accurate Schedule of Expenditures of Federal Awards

We concur with this finding. Steps are being taken to ensure that expenditures for Federal awards and amounts paid to sub-recipients as reported on the Schedule of Expenditures of Federal Awards are accurate. Expenditures amounts paid to sub-recipients within the state reporting entity will no longer be included on this schedule.

Contact Person: Michele Bonner, Chief Financial Officer  
Telephone: (404) 656-3527; Fax: (404) 463-6688, E-mail: mbonner@dnr.state.ga.us

## **DEPARTMENT OF CORRECTIONS**

Finding Control Number: **FS-467-08-01**  
**CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY**  
Inadequate Bank Reconciliation Procedures and Outstanding Checks for Over One Year

We concur with this finding. The Department acknowledges that proper reconciliation procedures were not followed on bank accounts. To correct this deficiency, the bank account reconciler will ensure that all reconciling items will be addressed immediately with the appropriate personnel upon discovery. As an additional control, the reconciler's supervisor will review the reconciliations on a monthly basis to verify that progress is being made to clear any reconciling items. GDC Financial Services staff have also reviewed the Accounting Procedures Manual maintained by the State Accounting Office for items related to the proper disposition of outstanding checks. Appropriate personnel will be made aware of their responsibilities as mandated in the Unclaimed Property Act (O.C.G.A. 44-12-190 through 44-12-235).

Contact Person: Travis Kennedy, Director of Financial Services  
Telephone: (404) 656-4619; Fax: (404) 657-7936; E-mail: kennet00@dcor.state.ga.us

## **BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA**

Finding Control Number: **FS-472-08-01**  
**FINANCIAL REPORTING**  
Balance Sheet Transactions Were Not Properly Reported At The Balance Sheet Date

We concur with this finding. The University System Office (USO) acknowledges that proper cutoff procedures were not observed at fiscal 2008 year-end. Receipting cash after the balance sheet date and reporting the receipts as cash instead of as accounts receivable has been a long standing practice at the USO that did not result in prior year audit findings.

The adoptions of Statements on Auditing Standards numbers 104 through 111 required a test of cutoff procedures, even on those transactions that only affected balance sheet accounts. In previous years, State Auditors concentrated on cutoff procedures involving only revenue or expense accounts.

For the upcoming fiscal 2009 year-end, the USO will ensure that proper cutoff procedures are adopted by taking the following steps:

- 1) A review of cash transactions dated after June 30<sup>th</sup> will be made prior to hard closing the fiscal year.

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

- 2) Reporting adjustments required to correctly state Cash, Accounts Receivable and Accounts Payable at the Balance Sheet date will be made to the Budgetary and GAAP financial statements.

The USO will add this process to its 2009 year-end closing procedures.

Contact Person: Diane Hickey, Controller, University System Office  
Telephone: (404) 657-1472; Fax: (404) 657-5977; E-mail: [daine.hickey@usg.edu](mailto:daine.hickey@usg.edu)

### **DEPARTMENT OF REVENUE**

Finding Control Number: **FS-474-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
REVENUES AND RECEIVABLES  
Inadequate Accounting Procedures

We concur with this finding. The Department acknowledges that the postmark date was not entered in the Sales Tax database for delinquent Sales Tax returns which nullified the ability to generate an assessment to the tax payer and impose penalty and interest.

The Department implemented a process in December 2008 whereby the accounts receivable unit forwards a list of vendors to the Sales Tax division those payments returned (delinquent) to enter the postmark date in the Sales Tax database in order to generate an assessment to the tax payer. In May 2009 the Department will implement the Sales Tax module in the Gentax system which will automatically assess the tax payer for delinquent returns.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: [michael.joyner@dor.ga.gov](mailto:michael.joyner@dor.ga.gov)

Finding Control Number: **FS-474-08-02**  
ACCOUNTING CONTROLS (OVERALL)  
GENERAL LEDGER  
Deficiencies in Controls over Journal Entries

We concur with this finding. The Department acknowledges that there was insufficient documentation on several manual journal entries and in one instance a lack of supervisory review and approval of a Sales Tax Distribution journal entry.

The Department recognizes that maintaining appropriate documentation to support and validate manual journal entries and have supervisory review and approval when applicable is necessary to ensure all journal entries recorded are valid and to avoid financial misstatements. Procedures have been implemented only allowing the General Ledger manager to prepare and record manual journal entries with the review and approval of the Controller. In addition, procedures have been implemented only allowing the Accounts Payable manager to prepare Sales Tax distribution journal entries with the review and approval of the Controller.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: [michael.joyner@dor.ga.gov](mailto:michael.joyner@dor.ga.gov)

Finding Control Number: **FS-474-08-03**  
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY  
Inadequate Accounting Procedures

We concur with this finding. The Department acknowledges that reconciliations performed for the Income Tax Disbursement Control account did not provide sufficient documentation for beginning balances, ending balances and reconciling items. In addition reconciling items were not resolved in a timely manner.

The Department recognizes that an essential part of the reconciliation process is maintaining and providing adequate documentation identifying beginning balances, ending balances and reconciling items. In addition, those reconciling items



# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

that have been identified need to be recorded in a timely manner in the accounting records. The Department will review current practices and written procedures to determine the improvements to implement to ensure balances and reconciling items are validated and/or recorded with supporting documentation by year-end Fiscal Year 2009.

The Department was unable to determine the amounts that belong to prior fiscal years in our review of the ending balance for Fiscal Year 2008. Our review did show the accounting records have consistently been less than the bank balance as far back as Fiscal Year 2003. The Department is currently researching the general ledger balances and unidentified reconciling items and will record as appropriate the entries to resolve reconciling items in the accounting records. The age of some items may require entries to remove from the accounting records without supporting documentation. If applicable, these entries will be discussed with the State Accounting Office and Department of Audits and Accounts.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: michael.joyner@dor.ga.gov

Finding Control Number: **FS-474-08-04**  
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY  
Inadequate Accounting Procedures

We concur with this finding. The Department acknowledges that reconciliations performed for the Payroll account did not provide sufficient documentation for reconciling items, reconciling items were not resolved in a timely manner and reconciliations were performed after year-end.

The Department recognizes that an essential part of the reconciliation process is maintaining and providing adequate documentation identifying reconciling items, resolving such items in a timely manner and performing monthly reconciliations at the close of each period. The Department will review current practices and written procedures to determine the improvements to implement to ensure balances and reconciling items are validated and/or recorded with supporting documentation by year-end Fiscal Year 2009.

The Department was unable to determine all the reconciling items that belong to prior fiscal years in our review. The Department is currently researching the general ledger balances and unidentified reconciling items and will record as appropriate the entries to resolve reconciling items in the accounting records. The age of some items may require entries to remove from the accounting records without supporting documentation. If applicable, these entries will be discussed with the State Accounting Office and Department of Audits and Accounts.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: michael.joyner@dor.ga.gov

Finding Control Number: **FS-474-08-05**  
REVENUES AND RECEIVABLES  
Deficiencies in the Income Tax Division Subsidiary Records

We concur with this finding. The Department is currently in the process of implementing systematic upgrades through an integrated tax platform that will enable DOR to track and compare taxpayer wage, withholding and estimated payment data against annual income tax returns. The first phase of this upgrade is for Sales Tax which is scheduled to be implemented in May 2009.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: michael.joyner@dor.ga.gov

Finding Control Number: **FS-474-08-06**  
REVENUES AND RECEIVABLES  
EXPENSES/EXPENDITURES AND LIABILITIES  
Failure to Reconcile A/R and A/P to the General Ledger

We concur with this finding. The Department acknowledges that reconciliations for accounts receivable and accounts payable accounts contained unknown variances and for fiduciary accounts no subsidiary listing was available to support balances in

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

the accounts.

The Department recognizes that performing reconciliations on a monthly basis and maintaining and providing appropriate documentation of beginning balances, ending balances and reconciling items is a best practice. The Department has researched all unknown variances in the accounts receivable and accounts payable accounts and has resolved all unknown variances. In addition, the Department has the details of the balances in those accounts.

The fiduciary accounts are not a typical accounts payable account; they are funds held for others. The balances in these accounts are created during the daily revenue collection process and accordingly are recorded using journal entries; there is no subsidiary listing, however, a listing of the journal entries is available.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: michael.joyner@dor.ga.gov

Finding Control Number: **FS-474-08-07**  
REVENUES AND RECEIVABLES  
GENERAL LEDGER  
Failure to Reconcile Subsidiary Systems to PeopleSoft

We concur with this finding. The Department acknowledges that it did not provide year-in-total reconciliations for Electronic Funds Transfer, Mailcash and the Georgia Registration and Title Information System. However, the Department did provide monthly reconciliations of multiple tax types for Electronic Funds Transfer, Mailcash and Central Taxpayer Accounting.

The Department recognizes that it is essential reconciliations be performed between documentation from external sub-systems within the organization to the accounting records. In this effort, procedures have been implemented and the Department currently performs monthly reconciliations for multiple tax types which are a part of the Electronic Funds, Mailcash and Central Taxpayer Accounting process using daily sub-system reports and other external documents. The reconciliations include a year-in-total section.

The Department is reviewing the items concerning the Georgia Registration and Title Information System.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: michael.joyner@dor.ga.gov

Finding Control Number: **FS-474-08-08**  
GENERAL LEDGER  
Inadequate Accounting Procedures

We concur with this finding. The Department acknowledges that some accounts receivable accounts and had credit balances at year-end.

The Department researched the credit balances in the applicable accounts receivable accounts. This research provided the basis to record adjusting entries which resolved the credit balances.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: michael.joyner@dor.ga.gov

Finding Control Number: **FS-474-08-09**  
GENERAL LEDGER  
Ending Balances in Balance Sheet Clearing Accounts

We concur with this finding. The Department acknowledges that balances existed in three clearing accounts (196030, 196119 and 296001). Reconciliations were performed during the Fiscal Year; however, reconciling items were not resolved in a timely manner.

The Department recognizes that clearing accounts should not have a balance at the end of each reporting period. In addition,

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

those reconciling items that have been identified need to be recorded in a timely manner in accounting records.

The Department has researched the clearing account balances and procedures are in place to resolve balances in a timely manner. Our research provided the basis to clear the balance from account #196030 and identify the transactions causing the balance in account #196119 and #296001. The balances will be resolved by year-end Fiscal Year 2009.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: michael.joyner@dor.ga.gov

### **Finding Control Number: FA-474-08-01 REPORTING**

Failure to submit accurate Schedule of Expenditures of Federal Awards

We concur with this finding. The Department acknowledges that the Schedule of Expenditures of Federal Awards was initially submitted using ACTUALS instead of GAAP ACTUALS.

The Department recognizes that is required to submit a Schedule of Expenditures of Federal Awards which is supported by the accounting records. The instructions provided did not indicate which accounting records to pull the expenditures from (i.e., ACTUALS or GAAP ACTUALS). When the Department was notified of the discrepancy in the amount reported it provided the correct data.

Contact Person: Michael F. Joyner, Controller  
Telephone: (404) 417-2225; FAX (404) 417-2221; Email: michael.joyner@dor.ga.gov

## **DEPARTMENT OF TRANSPORTATION**

### **Finding Control Number: FS-484-08-01 ACCOUNTING CONTROLS (OVERALL) GENERAL LEDGER**

The GDOT avoided a statutory deficit at June 30, 2008 by the recognition of FY 2009 State Motor Fuel appropriations in the amount of \$456,219,590.73.

See the Auditee's Corrective Action Plan's for the following Department of Transportation finding control numbers: FS-484-08-02, FS-484-08-03, FS-484-08-04, FS-484-08-05, FS-484-08-06, FS-484-08-07, FS-484-08-08, FS-484-08-09, FS-484-08-10.

### **Finding Control Number: FS-484-08-02 REVENUES AND RECEIVABLES GENERAL LEDGER Improper Revenue Recognition**

We concur with this finding. State general funds will continue to be booked quarterly. Un-appropriated general funds will be tracked in a contra account. According to the Georgia Constitution, motor fuel funds can be booked in total at the beginning of the fiscal year. The yearly motor fuel appropriation will be booked in total during the month of July. This will create a reconciling item when balancing the general ledger to the Office of Treasury Fiscal Services (OTFS) each month. GDOT will make a note on the reconciliation.

To ensure that recorded revenues do not exceed available funds, GDOT will contact Georgia State Financing and Investment Commission (GSFIC) and State Road and Tollway Authority (SRTA) to inquire about available funding prior to accruing revenue for Grant Anticipation Revenue Vehicle Bonds (GARVEE) and General Obligation Bond (GO) proceeds each quarter and at year end.

In addition, to ensure that recorded revenues do not exceed the federal obligation limitation ceiling, GDOT will record revenues when qualifying statutory expenditures are recorded. In order for "Advanced Construction" projects to comply with the Constitution of the State of Georgia, GDOT will ensure sufficient unobligated State funding is on hand at the time the contracts are executed (signed).

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact Person: Meg Pirkle, Division Director of Administration  
Telephone: (404) 631-1300; E-mail: mpirkle@dot.ga.gov

Finding Control Number: **FS-484-08-03**

GENERAL LEDGER

General Ledger not suitable for day-to-day operations

We concur with this finding. State general funds will continue to be booked quarterly. Un-appropriated general funds will be tracked in a contra account. According to the Georgia Constitution, motor fuel funds can be booked in total at the beginning of the fiscal year. The yearly motor fuel appropriation will be booked in total during the month of July. This will create a reconciling item when balancing the general ledger to the Office of Treasury Fiscal Services (OTFS) each month. GDOT will make a note on the reconciliation.

To ensure that recorded revenues do not exceed available funds, GDOT will contact Georgia State Financing and Investment Commission (GSFIC) and State Road and Tollway Authority (SRTA) to inquire about available funding prior to accruing revenue for Grant Anticipation Revenue Vehicle Bonds (GARVEE) and General Obligation Bond (GO) proceeds each quarter and at year end.

In addition, to ensure that recorded revenues do not exceed the federal obligation limitation ceiling, GDOT will record revenues when qualifying statutory expenditures are recorded. In order for "Advanced Construction" projects to comply with the Constitution of the State of Georgia, GDOT will ensure sufficient unobligated State funding is on hand at the time the contracts are executed (signed).

Reimbursement funds will be tracked in contra accounts (memo accounts) in the same manner as the general fund. The newly formed Office of Internal Audits will test the general ledger on a regular basis. Post closing adjustments and audit adjustments will be forwarded to the Office of General Accounting to be entered into PeopleSoft. GDOT is in the process of implementing a financial reporting unit within the Office of General Accounting who will be responsible for preparing financial statements on a regular basis.

Contact Person: Meg Pirkle, Division Director of Administration  
Telephone: (404) 631-1300; E-mail: mpirkle@dot.ga.gov

Finding Control Number: **FS-484-08-04**

GENERAL LEDGER

Sub-ledger deficiencies

We concur with this finding. GDOT has engaged an outside consulting firm to work with the Office of Financial Management and the Office of General Accounting on the preparation of a Project Costing to General Ledger reconciliation at the fund source level within PeopleSoft. Also within the scope of the engagement is correcting funding source errors currently found in PeopleSoft.

Contact Person: Meg Pirkle, Division Director of Administration  
Telephone: (404) 631-1300; E-mail: mpirkle@dot.ga.gov

Finding Control Number: **FS-484-08-05**

GENERAL LEDGER

Contingency Reserve Account

We concur with this finding. Project Managers are now required to incorporate contingencies into estimates for all project phases. These contingency amounts will be reserved for each project phase. For projects under construction prior to this requirement, contingency amounts will be reserved from FY 2009 funding. For projects under construction and less than 50% complete, the contingency will be added to the individual project budgets. For projects under construction that are greater than 50% complete, the contingency reserve will be maintained as a lump sum and applied to projects on an as needed basis.

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact Person: Meg Pirkle, Division Director of Administration  
Telephone: (404) 631-1300; E-mail: mpirkle@dot.ga.gov

Finding Control Number: **FS-484-08-06**  
EXPENSES/EXPENDITURES AND LIABILITIES  
GENERAL LEDGER  
Contract monitoring deficiencies

We concur with this finding. The current PeopleSoft queries, which are available to all State agencies, do not provide the information being requesting. GDOT staff is currently working with the project team hired for the Project Costing upgrade to create queries that will assist with purchase order (PO) monitoring.

Contact Person: Meg Pirkle, Division Director of Administration  
Telephone: (404) 631-1300; E-mail: mpirkle@dot.ga.gov

Finding Control Number: **FS-484-08-07**  
EXPENSES/EXPENDITURES AND LIABILITIES  
GENERAL LEDGER  
Liabilities for Asphalt and Fuel Indices not properly recorded

We concur with this finding. GDOT has implemented procedures to ensure that contractual liabilities due to Asphalt Cement Price and Fuel Adjustment Price Indices are limited to a maximum and are included in project budgets – both retrospectively and prospectively.

**Asphalt:** The maximum exposure due to the Asphalt Cement Price Index is being amended in to all active project budgets where there are associated quantities left in the contract.

**Fuel:** All active contracts are being amended to include a 125% maximum cap on increases in fuel costs. Additionally, this financial exposure is being budgeted in the project budgets.

Beginning with the July 2008 letting, procedures were in place in which contractual liabilities associated with the indices maximums are established for all applicable contracts and added to project budgets at the time of award. Estimates throughout the project's life also include the contractual liabilities associated with the Asphalt Cement Price Index and Fuel Adjustment Price Index.

Contact Person: Greg Mayo, Division Director of Construction  
Telephone: (404) 631-1970; E-mail: gmayo@dot.ga.gov

Finding Control Number: **FS-484-08-08**  
BUDGET  
Improper Budget Amendment

We concur with this finding. The Department has implemented procedures to ensure budget amendments are supported by actual revenues and / or currently available grant awards. Any budget amendments submitted to the Office of Planning and Budget will be fully supported by accompanying documentation to verify the funding availability.

Contact Person: Chris Jones, Division Director of Financial and Policy Compliance  
Telephone: (404) 631-1332; E-mail: cjones@dot.ga.gov

Finding Control Number: **FS-484-08-09**  
ACCOUNTING CONTROLS (OVERALL)  
Weaknesses in GDOT's ability to record process and report contractual Obligations

We concur with this finding. The Office of General Accounting has implemented procedures to ensure contractual obligations and supplemental agreements are recorded in PeopleSoft upon receipt.

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact Person: Meg Pirkle, Division Director of Administration  
Telephone: (404) 631-1300; E-mail: mpirkle@dot.ga.gov

Finding Control Number: **FS-484-08-10**

### **BUDGET**

Inadequate accounting records at the legal level of budgetary control

We concur with this finding. The Department is currently identifying and implementing measures to ensure revenues and expenditures are recorded accurately on the appropriate fund source and program. Further, the Department is undergoing a process review within the financial areas to identify areas for training opportunities. The process for recording revenues and expenditures correctly has already been identified as an area for additional training. To support this training, budget comparison reports will be reviewed on a bi-monthly basis to ensure that activity at the fund source level within programs is accurate. Finally, financial statements reporting at the legal level of budgetary control will be provided to the State Transportation Board on a monthly basis.

Contact Person: Chris Jones, Division Director of Financial and Policy Compliance  
Telephone: (404) 631-1332; E-mail: cjones@dot.ga.gov

## **DEPARTMENT OF VETERANS SERVICE**

Finding Control Number: **FS-488-08-01**

### **ACCOUNTING CONTROLS (OVERALL)**

Deficit Fund Balance

We concur with this finding. The Department acknowledges the importance of properly maintaining and monitoring the accounting records. The Department will implement the following safeguards to prevent the recurrence of the deficit fund balance. Additionally, the State Accounting Office will be consulted regarding any additional measures that may be taken.

- The Annual Operating Budget as it is in People Soft will be kept current with all amendments as they are approved by the Office of Planning and Budget.
- The recommended PeopleSoft subsystem reconciliations will be completed monthly as requested by the State Accounting Office. All variances will be identified and corrected as needed. This will insure all items entered into PeopleSoft's subsystems are reflected on the General Ledger.
- The Budget Comparison Report will be monitored and reviewed monthly to ensure programmatic and appropriation level compliance.

Contact Person: Len Glass, Assistant Commissioner Administration  
Telephone: (404) 656-2307; Fax: (404) 656-7006; E-mail: leglass@vs.state.ga.us

Finding Control Number: **FS-488-08-02**

### **ACCOUNTING CONTROLS (OVERALL)**

Federal Fund Ledger Deficiencies

We partially concur with this finding. The Department acknowledges and accepts the oversight regarding the Department's Schedule of Federal Expenditures being understated.

However, the Federal fund source balances in question date back to fiscal years 1992-2001. It is our position that if these balances could have resulted in material misstatements in the financial statements, that a previous audit would have reported this for correction prior to our fiscal year 2007 audit.

The Department will properly report all federal funds on the Department's Schedule of Federal Expenditures in future fiscal years. Further, we have requested assistance from the State Accounting Office regarding the Federal fund source balances and will make any needed adjustments to correct this deficiency.

# State of Georgia

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## Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008

Contact Person: Len Glass, Assistant Commissioner Administration  
Telephone: (404) 656-2307; Fax: (404) 656-7006; E-mail: leglass@vs.state.ga.us

### GEORGIA PUBLIC DEFENDER STANDARDS COUNCIL

Finding Control Number: **FS-492-08-01**

ACCOUNTING CONTROLS (OVERALL)

EXPENSES/EXPENDITURES AND LIABILITIES

Billing practices related to legal defense services provided by private attorneys and other consultants

We concur with this finding. The agency acknowledges that funds for private attorneys and other consultants were not encumbered in accordance with the manner prescribed by GAAP.

The agency will implement a Cooperative Attorney Program. The objective is to create a pool of qualified criminal defense attorneys with adequate experience who are willing to enter into agreements with GPDSC to handle cases in which public defenders cannot represent clients whose interests are antagonistic to each other. Under these agreements, funds will be encumbered by GPDSC sufficient to cover the fees contained in the agreement at the time it was initiated.

This agreement would include but not be limited to the following:

- A.) Defining the responsibilities of a Cooperating Attorney.
- B.) Identifying the terms and conditions for participating as a Cooperating Attorney:
  - 1.) Responsibility and scope of representation;
  - 2.) Payments as outlined in fee schedules by executing a written fee agreement with GPDSC prior to accepting cases.
- C.) Delineating compensation
  - 1.) Billings - Cooperating Attorney would agree to submit interim activity and billing reports as outlined in Master Agreement. Said reports would be on forms provided by GPDSC.
  - 2.) Cooperating Attorney would agree to abide by the fee schedule as set forth by GPDSC. The schedule could be revised from time to time and may differ by judicial districts of the state. Any such revision would be prospective in nature.
  - 3.) GPDSC would supply experienced criminal attorneys to oversee the program and be available for Cooperating Attorney to consult with.
  - 4.) Cooperating Attorney would agree to further terms and conditions as to timely case closing, activity and billing reports.
  - 5.) Cooperating Attorney would agree to possible audits of a client file, with review by a Senior Attorney of GPDSC for quality control.

The implementation of this Cooperating Attorney Program would:

- A.) Create an approved database statewide of qualified local criminal defense bar attorneys as designated in which courts they are approved to represent GPDSC conflict cases – capital and non-capital;
- B.) Provide both GPDSC and the cooperating attorney with written agreements for clarification of terms and expectations of both parties, including fee scheduling, expert costs and payment by GPDSC;
- C.) Provide GPDSC, outside of JCATS, with a mechanism of identification, monitoring of cases and determining a reasonable known liability of its obligations at any time. This goal could be accomplished with an Excel spreadsheet;
- D.) Accomplish a goal of helping keep the qualified private criminal defense bar employed in conflict cases, on a local basis;
- E.) Help GPDSC to maintain the quality assurance of the conflict program;
- F.) Create a maximum (yet to be determined) (not flat) fee schedule for services to client that would still be billed on an hourly basis. The maximum fee per the schedule would simply be the largest amount that could be charged without requesting and receiving written authorization to exceed the maximum from GPDSC;
- G.) Define what could and could not be billable to GPDSC.

Staffing Requirements for implementation of Cooperating Attorney Program include:

- A.) Attorney Positions. Two (2) attorneys both senior and experienced in determining the costs of cases--one designated director of the program--with the following duties:

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## Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008

- 1). Monitor cases for quality assurance;
  - 2.) Review billing;
  - 3.) Review requests for fees above fee schedule;
  - 4.) Ensure compliance;
  - 5.) Assign cases to Cooperating Attorneys.
- B.) Budget Position  
To maintain spread sheet. Track, collect and check to see that billing is within fee schedule or approval to exceed fee schedule.
- C.) Administrative Assistant  
To maintain accurate data as to cases and compliance with Cooperating Attorney agreements.

Finally, the goal of this program is to provide the GPDSC with the ability to track and monitor all conflict cases as to its obligations and encumbrances in order to maintain a balanced budget within its appropriated funding level.

Contact Person: Mack Crawford, Executive Director, GPDSC  
Telephone: (404) 232-8905; E-mail: mcrawford@gpdsc.org

## GEORGIA INSTITUTE OF TECHNOLOGY

Finding Control Number: **FS-503-08-01**  
ACCOUNTING CONTROLS  
Inadequate General Controls

Management concurs with the finding and recommendation. GIT's Office of Information Technology (OIT) will develop a tracking procedure within each group as it relates to critical configuration settings. We will implement a standard procedure which addresses the management of configuration settings within each department.

Contact Person: Gregory Phillips, Associate Director Enterprise Information Systems, OIT  
Telephone: (404) 894-3416; Fax: (404) 894-9135; E-mail: greg.phillips@oit.gatech.edu

Finding Control Number: **FS-503-08-02**  
EXPENDITURES/LIABILITIES/DISBURSEMENTS  
Improper Use of Purchasing Cards

GIT agrees with the recommendation to continue to emphasize the importance of strict adherence to its purchasing card program policies.

We also accept the recommendation that we continue to conduct mandatory training on awareness for fraud and financial accountability for all employees involved in the purchasing card program.

GIT has enhanced its program controls with the requirement that all cardholders, card coordinators (administrators) and approvers must annually retake the requisite card program training for their particular duties associated with the purchase card program.

In addition to mandatory training, the following processes have been implemented to ensure compliance with program policies:

- All card receipts are required to reside with the unit's central financial office, not the cardholder's files.
- An online report has been developed to ensure that monthly card statements are signed, approved and reconciled.
- The central card administration and the Internal Audit unit have developed a series of card program reports that are used to determine compliance with policies. Potential disciplinary action for non-compliance ranges from oral warnings to loss of employment depending on the severity of the infraction.

All of the above corrective action steps were fully implemented prior to June 30, 2008.



# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact Person: Tom Pearson, Director Business Services  
Telephone: (404) 894-5000; Fax: (404) 894-8552; E-mail: tom.pearson@business.gatech.edu

Finding Control Number: **FA-503-08-01**  
REPORTING  
Failure to Timely Submit Financial Reports  
Research and Development

Management concurs with the finding and recommendation. GIT made significant enhancements to the online deliverable system in June 2008. Benefits of these enhancements have been publicized and communicated campus wide. Training classes and online tutorials for the updates to the deliverables system were made available campus wide as well.

We will continue to publicize the importance of timely report submission and reemphasize the related policies. We do not consider this finding to be material and, accordingly, we do not believe further action outside of what has been noted above is warranted.

Contact Person: G. Duane Hutchison, Director, Office of Sponsored Programs  
Telephone: (404) 894-4819; Fax: (404) 894-7002; E-mail: duane.hutchison@osp.gatech.edu

Finding Control Number: **FA-503-08-02**  
SUBRECIPIENT MONITORING  
Inadequate Monitoring of Subrecipients  
Research and Development

Management concurs with the finding and recommendation. The GIT Office of Sponsored Programs (OSP) will make a high-risk/low-risk determination for each sub-recipient. This will be added to our current "checklist". We will also revise our current certification form/letter to include a section to be completed for "for-profit" sub-recipients. We will develop a process for additional monitoring of sub-recipient progress and compliance.

Contact Person: G. Duane Hutchison, Director, Office of Sponsored Programs  
Telephone: (404) 894-4819; Fax: (404) 894-7002; E-mail: duane.hutchison@osp.gatech.edu

## **GEORGIA STATE UNIVERSITY**

Finding Control Number: **FS-509-08-01**  
EXPENDITURES/LIABILITIES/DISBURSEMENTS  
CAPITAL ASSETS  
Inadequate Internal Controls over the Reporting of Leases

We concur with this finding. The University's fiscal year 2008 financial statements have been corrected to properly report "The University Lofts" capital lease. In addition, the University has implemented additional procedures to ensure that all leases are properly categorized.

Contact Person: Bruce Spratt, Assistant Comptroller  
Telephone: (404) 413-3071; Fax: (404) 413-3075; E-mail: finbrs@langate.gsu.edu

## **ALBANY STATE UNIVERSITY**

Finding Control Number: **FS-521-08-01**  
REVENUES/RECEIVABLES/RECEIPTS  
Inadequate Accounting Procedures

We concur with this finding. As a result of inadequate procedures in the past a substantial part of the total student accounts receivable balances are very old. The University has implemented procedures that will result in the reduction of the University's student accounts receivable balances. These procedures include but are not limited to (1) monthly invoicing of

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

all outstanding balances; (2) placing 90 day past due student accounts with a collection agency, (3) establishing a reserve for write offs and (4) hiring a full time collection coordinator.

The Collections Coordinator will be responsible for collection of past due University accounts, analysis, and reconciliation of all accounts receivables and student revenue accounts. The Collections Coordinator would perform the following duties among other assigned task; communicate regularly with debtors of the University to maintain current and accurate accounts receivable; reconcile Banner student receivables to PeopleSoft accounting records; prepare and follow up on student account billings, contract billings and other institutional accounts receivable; and ensure valid and accurate aging of accounts receivable.

A reserve of \$995,000 was established in FY08. We will continue to add to the reserve as possible and as needed. Provisions have been made to begin the due diligence process and write off the \$995,000. This will be done through letters to students and contracting with a collection agency to expedite the collection of funds owed to the University or subsequent write off of the uncollectible accounts as documented in BOR Business Procedures 10.4.4.

Further, we expect the University System Office to research and strengthen student accounts receivable policy during the coming year to provide greater authority to address some of the system-wide issues in charging, billing, collecting, and writing-off balances. Particularly problematic are students who have adequate financial aid at registration, but make later changes which reduce their aid and create new balances.

Contact Person: Dorothy Martin, Controller  
Telephone: (229) 430-2804; Fax: (229) 430-4696; E-mail: dorothea.martin@asurams.edu

Finding Control Number: **FS-521-08-02**  
EMPLOYEE COMPENSATION  
Inappropriate Payments to Student Athletes

We concur with this finding. We will conduct a complete audit of all currently employed student athletes. We have already put all supervisors on notice warning them about repeating past mistakes. We will take disciplinary action against such students and/or their supervisors.

Starting Spring semester we will implement the following additional or comparable procedures: Before a student is assigned they must sign a statement of accountability. Before a supervisor is assigned a student the supervisor must sign a statement of accountability. Both signatures will be obtained at mandatory training which precedes any assignment. The training will be attended and supported by coaches, Athletic Director, and University administration. No student is to be assigned without providing a final class schedule. No student is to be assigned without providing practice and event schedule, as available. Student and coaches are required to inform supervisors and staff of changes in practice, training and event schedules. Students are required to provide a copy of each timesheet to the Athletics Department for review. At end of each semester a complete and independent review/audit is to be conducted. Any 'errors' found will result in restitution, personnel action to supervisor, disciplinary action to student, as appropriate. Student and supervisor may lose right to participate in this program.

Contact Person: Steve Grant, Director of Human Resources  
Telephone: (229) 430-4623; Fax: (229) 430-2867; E-mail: steve.grant@asurams.edu

## **COLUMBUS STATE UNIVERSITY**

Finding Control Number: **FS-530-08-01**  
EMPLOYEE COMPENSATION  
Inadequate Accounting Procedures

We concur with this finding. The University acknowledges that supporting documentation of management's approval for compensation of employees could not be provided. The University now requires evidence of management approval on the yearly merit worksheets submitted by all departments.

Contact Person: Lougene Brown, Assistant Vice President for Business and Finance  
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# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FS-530-08-02**

### **CAPITAL ASSETS**

#### **Inadequate Capital Asset Records**

We concur with this finding. The University acknowledges that equipment purchases must be recorded as Capital Assets. The University will recognize partial payments of equipment as work-in-progress. The equipment in question has been added as a capital asset.

The University acknowledges that construction work-in-progress should be recorded as a capital asset. The construction work-in-progress will be recorded as a capital asset by January 31, 2009. The Comptroller will work closely with the Contracts Manager to determine if work performed on contracts qualifies as a capital asset.

The University acknowledges that Capital Lease additions were omitted. The additions will be added by January 31, 2009. Management will verify that all future capital leases are recorded appropriately.

The University acknowledges that numerous items on the inventory listing were below capitalization thresholds established by the Board of Regents. These items will be retired by June 30, 2009. The Comptroller and the Assistant Director of Warehouse Operations will review all capital assets on a quarterly basis.

The University acknowledges that it could not produce evidence of a complete physical inventory count. Inventory counts were being performed and reviewed by the Assistant Director of Warehouse Operations, but the documentation was not being retained. Effective immediately, employees are provided a copy of the building or department equipment listing. The employee will notate on the listing if the equipment is missing. The employee provides their signature that they have performed an inventory on the area assigned to them. The Assistant Director of Warehouse Operations will review the inventory and will perform random checks. He will then provide his signature that he has reviewed the inventory records. The inventory records will be maintained in the office of the Assistant Director of Plant Operations.

Contact Person: Anna Brooks, Comptroller

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## **FORT VALLEY STATE UNIVERSITY**

Finding Control Number: **FS-533-08-01**

### **REVENUES/RECEIVABLES/RECEIPTS**

#### **Inadequate Subsidiary Records**

We concur with this finding. The University is in the process of performing a complete reconciliation of all restricted accounts. The process will provide the University with an accurate available balance that will be adjusted in PeoplesSoft to reflect the project grant budget. The University's budgetary control system should prevent an invalid receivable. This process will be complete by June 30, 2009.

The University will write-off the other accounts receivables deemed invalid.

The University has Enhanced Servicing with billing agent Campus Partners to provide an increased level of support to assist in monitoring and reconciling the Notes Receivable connected with the Perkins Loan Program.

Contact Person: Kevin Howard, Comptroller

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Finding Control Number: **FS-533-08-02**

### **REVENUES/RECEIVABLES/RECEIPTS**

#### **Inadequate Internal Controls**

We concur with this finding. The University did not renew the contract of the third-party management company contracted to perform the control activities listed in this finding in connection with Housing. Effective fall semester 2008, the University segregated the duties related to the issuance of keys. Auxiliary Services will be responsible for issuing dormitory

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

keys. Auxiliary Services is separate from Student Affairs. As is the case, the University's reconciliation of these auxiliary revenues will include the identification of the students that have been charged housing per Student Affairs but have not been confirmed on the enrollment report per the Registrar. The exceptions identified in the aforementioned step will be compared to the students that have been issued keys to determine whether charges have been appropriately applied to the students account. If the University determines that auxiliary charges have been inappropriately placed on the students account then these charges will be reversed from the student account, as necessary. The aforementioned process will be done at the conclusion of the fall, spring and summer semesters.

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### **Finding Control Number: FS-533-08-03 EXPENDITURES/LIABILITIES/DISBURSEMENTS Inadequate Internal Controls over the Reporting of Leases**

We concur with this finding. The University accounted for the capital lease under SFAS 13 using the interest rate implicit in the lease rather than incremental borrowing rate. The amount recorded by the University agreed to the independently audited amount recorded by Fort Valley State University Foundation, Inc., which is the reporting entity of Fort Valley State University Foundation Properties, LLC. As is the case, the University will change the accounting method to use an incremental borrowing rate of 4.544% to be consistent with accounting and reporting of other Capital Leases throughout the University System of Georgia. This will be completed by June 30, 2009.

Contact Person: Kevin Howard, Comptroller  
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### **Finding Control Number: FS-533-08-04 EMPLOYEE COMPENSATION Inadequate Internal Controls**

We concur with this finding. On a test basis, the University will run a report of leave taken by employee and agree the report amount to the completed time sheets. This will be completed regularly during the year.

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### **Finding Control Number: FA-533-08-01 ELIGIBILITY Overpayment of Student Financial Aid U. S. Department of Education Student Financial Aid Cluster Program**

We concur with this finding. The University has modified its policies and procedures to ensure that appropriate amounts will be awarded to students consistent with financial need requirements. Additionally, the University has moved to activate the electronic SCT Banner System module with built in computerized rules to award based on requirements as set forth by the U.S. Department of Education for SMART and ACG Grants.

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### **Finding Control Number: FA-533-08-02 REPORTING Reports Not Reconciled U. S. Department of Education Student Financial Aid Cluster Program**

We concur with this finding with the exception of information listed in connection with the Pell Grant Program, the Federal

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Work Study Program, and the Federal Supplemental Educational Opportunity Grant Program. The University will resubmit the FISAP report to reflect the amounts recorded in the audited financial statements except for the Perkins Loan Program. The University performed procedures to reconcile the Perkins Loan Program as of June 30, 2008 and proposed an entry to the State Auditors to fairly state the accounting records associated with this program which is consistent with the corrective action plan noted in our corrective action response as of June 30, 2007. As such, the Perkins Loan corrections will be made to the FISAP submitted as of June 30, 2008. Further, procedures will be developed to ensure that the FISAP report is appropriately reviewed prior to submission. The procedures will be developed and the FISAP reports will be resubmitted prior to June 30, 2009.

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Finding Control Number: **FA-533-08-03**  
SPECIAL TESTS AND PROVISIONS  
Deficiencies in Student Financial Aid Refund Process  
U. S. Department of Education  
Student Financial Aid Cluster Program

We concur with this finding. If a student owes unearned Title IV funds from a federal grant, the University will notify the student within 30 days of determining the student's withdrawal and Title IV return calculation. The student will be allowed 45 days to repay the amount to Fort Valley State University who will forward the funds to the Department of Education. After that time payment arrangements must be made with the U.S. Department of Education or eligibility for federal financial aid at any higher education institutions will be denied. The student also needs to repay to the institution the money that the institution is required to return to the Department of Education for the unearned institutional charges. Students can repay the student portion of federal loans under the terms and conditions of the promissory note for the loan. However, the unearned portion of the loans that Fort Valley State University must return will be posted as a charge to the student's account and must be repaid. Grant repayments are federal repayments that the student will be required to make to the U.S. Department of Education.

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Finding Control Number: **FA-533-08-04**  
SPECIAL TESTS AND PROVISIONS  
Inadequate Control Procedures over Unofficial Withdrawals  
U. S. Department of Education  
Student Financial Aid Cluster Program

We concur with this finding. The University implemented a "No-Show" reporting procedure effective Fall Semester 2007. A reminder of the aforementioned policy was issued by the Registrar on January 11, 2008. The "No-Show" reporting procedure requires instructional faculty members to report students who have never attended a single class or a student in an online class that has never communicated with the instructor. Instructional Faculty members are required to place a grade of "N" in the mid-term grade column. The Registrar reviews and verifies the "No-Show" report. If a student is deemed "No-Show", then the student's tuition and fee charges are reversed from their respective account prior to the appropriate census date.

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Finding Control Number: **FA-533-08-05**  
SPECIAL TESTS AND PROVISIONS  
Inadequate Control Procedures  
U. S. Department of Education  
Student Financial Aid Cluster Program

We concur with this finding. The University will include a step in the timesheet review process to review dates of approved

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

timesheets for an appropriate cut-off. This process will begin on January 1, 2009.

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Finding Control Number: **FA-533-08-06**  
SPECIAL TESTS AND PROVISIONS  
Deficiencies Over the Verification Process  
U. S. Department of Education  
Student Financial Aid Cluster Program

We concur with this finding. The University will follow the federal requirements for verification; to include the assurance that verification and documentation requirements are met. Special attention will be given to tax returns. Modifications to standard verification procedures are now made. Each advisor must follow the standard special step by step requirements for each student prior to finalizing the verification process as a control step to ensure all steps are completed to include proper documentation, signatures, tax preparer stamps and the like.

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## **GEORGIA GWINNETT COLLEGE**

Finding Control Number: **FS-540-08-01**  
CASH AND CASH EQUIVALENTS  
Inadequate Controls Over Cash and Cash Equivalents

We concur with the finding. The College acknowledges that bank reconciliations were not conducted in a timely manner. The College experienced problems with canceled checks early in the fiscal year that were not corrected for several months. The College had difficulty reconciling its statement with the outstanding issue. The overall unreconciled amount was immaterial.

In addition, the College was short of staff and experienced employee turnover. While the College attempted to keep up with the day-to-day operations, the month end reconciliations could not be maintained at the staffing level available at that time.

The situation described in this finding has been corrected, and the College is following appropriate accounting procedures and maintaining proper controls to ensure that cash transactions are reviewed and posted on a monthly basis, that detailed records supporting the general ledger are complete, and that reconciling items are resolved in a timely manner. The College took the following corrective actions to ensure compliance with adequate controls over cash and cash equivalents:

- 1.) The College hired a consultant to revamp the bank reconciliations to make the format simplified and user friendly.
- 2.) The Accounting staff from Georgia Gwinnett College received a week of training on Bank Reconciliations.
- 3.) The College hired two new accountant positions, the Director of Accounting and an Accounting Assistant.
- 4.) In addition, the College is recruiting an Accountant III position whose primary function will be to perform all reconciliations and Internal Control functions.
- 5.) All month end reconciliations are being conducted and overseen by management.
- 6.) The College created extensive and detailed policies and procedures that have been developed during the course of the year and are part of on-going training and review for all accounting personnel. These policies follow the Board of Regents policies and follow sound financial accounting practices. This response includes an Internal Control policy that establishes a system to monitor the checks and balances in the system.

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# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FS-540-08-02**

### **CAPITAL ASSETS**

#### **Capital Assets not Properly Maintained**

We concur with the finding. The College acknowledges that month end reconciliations were not conducted in a timely manner and as a result Construction in Progress was overstated and inappropriately classified. The College was short of staff and had employee turnover. While the College attempted to keep up with the day-to-day operations, the month end reconciliations could not be maintained at the staffing level. As a result of staff turnover, the current staff was unaware of the erroneous postings that occurred in the Construction in Progress area.

These findings have been corrected and the College is following appropriate accounting procedures and maintaining proper controls to ensure Capital Assets are posted, maintained and capitalized correctly and in a timely manner. The College took the following corrective actions to ensure compliance with adequate controls over Capital Assets:

- 1.) The College made all correcting accounting entries.
- 2.) The College has worked with the Board of Regents to gain a full understanding of maintaining Capital Assets.
- 3.) The Board of Regents will provide additional training for the College accounting and logistics staff on Capital Assets and capitalization.
- 4.) The College hired two new accounting positions, the Director of Accounting and an Accounting Assistant.
- 5.) In addition, the College is recruiting an Accountant III position whose primary function will be to perform all reconciliations and Internal Control functions.
- 6.) All month end reconciliations are being conducted and overseen by management.
- 7.) The College created extensive and detailed policies and procedures that have been developed during the course of the year and are part of on-going training and review for all accounting personnel. These policies follow the Board of Regents policies and follow sound financial accounting practices. This initiative includes an Internal Control policy that establishes a system to monitor the checks and balances in the system.

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Finding Control Number: **FS-540-08-03**

### **FINANCIAL REPORTING**

#### **Deficiencies in Financial Statement Preparation**

We concur with the finding. The College acknowledges that the proceeds from the Food Service Contract were improperly recorded as revenue and errors as noted in Finding FS-540-08-02 were made in the preparation process of the financial statements. As noted above in Finding FS-540-08-02, the College was short of staff and had employee turnover. Additionally, the staff was unable to attend valuable year-end Financial Reporting training due to the lack of staffing.

The situation described in this finding has been corrected and the College is following appropriate accounting procedures and maintaining proper controls to ensure proceeds are correctly recorded. The College took the following corrective actions to ensure compliance with adequate controls over Contract Proceeds and Notes to the Financial Statements:

- 1.) The College made all correcting accounting entries.
- 2.) The College hired two new accounting positions, the Director of Accounting and an Accounting Assistant.
- 3.) In addition, the College is recruiting an Accountant III position whose primary function will be to perform all reconciliations and Internal Control functions.
- 4.) Year-end training provided by the Board of Regents will be attended by the College accounting staff.
- 5.) The College created extensive and detailed policies and procedures that have been developed during the course of the year and are part of on-going training and review for all accounting personnel. These policies follow the Board of Regents policies and follow sound financial accounting practices. This response includes an Internal Control policy that establishes a system to monitor the checks and balances in the system.

Contact Person: Eddie Beauchamp, Vice President of Business and Finance  
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# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FS-540-08-04**

### **FINANCIAL REPORTING**

#### **Inadequate Accounting Procedures for Budget Preparation/Execution**

We concur with the finding. The College acknowledges that the accounting staff did lack the PeopleSoft skills and knowledge to manipulate the budgetary data to align expenditures with its funding throughout the year. The College did seek help from the OIIT early in the fiscal year but was denied due to the impending PeopleSoft Upgrade. The College was aware of the issue and maintained a separate spreadsheet to make the necessary adjustments at year-end. Therefore, although the budgetary component of the PeopleSoft system was not being utilized during the fiscal year, resources were still being tracked accurately to ensure financial controls were in place.

These findings have been corrected and the College is using the budgetary module of the upgraded PeopleSoft accounting software. The College took the following corrective actions to ensure compliance with accounting controls and procedures:

- 1.) The College has converted to the upgraded version of PeopleSoft.
- 2.) The College hired a consultant to ensure PeopleSoft was converted correctly and trained the accounting staff on all modules.
- 3.) The accounting staff attended the training provided by OIIT on the upgraded version of PeopleSoft in their appropriate areas.
- 4.) The College utilizes both the budgetary module of PeopleSoft as well as manual spreadsheets to ensure funds are accounted for correctly.
- 5.) The College hired two new accounting positions, the Director of Accounting and an Accounting Assistant.
- 6.) The College is in the process of hiring an additional Accountant III position.
- 7.) The College created extensive and detailed policies and procedures that have been developed during the course of the year and are part of on-going training and review for all accounting personnel. These policies follow the Board of Regents policies and follow sound financial accounting practices. This initiative includes an Internal Control policy that establishes a system to monitor the checks and balances in the system.

Contact Person: Eddie Beauchamp, Vice President of Business and Finance

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## **SAVANNAH STATE UNIVERSITY**

Finding Control Number: **FS-548-08-01**

### **BUDGET PREPARATION/EXECUTION**

#### **GENERAL LEDGER**

#### **Inadequate Accounting Procedures**

We concur with this finding. Savannah State University will ensure that Budget-to-Actual Reports are properly prepared and reviewed. Support for the entries, particularly the budget adjustments, will be reviewed to ensure that they have been appropriately accounted for. Many of the processes used in preparing the Budget-to-Actual adjustments are decentralized, and may result in errors that are not captured during the report preparation and review. The University will establish procedures to perform high level review and verification of all calculations made in the preparation of the budgetary reports.

Contact Person: Edward B. Jolley, Jr., Vice President for Fiscal Affairs

Telephone: (912) 351-3812; Fax: (912) 353-3188; E-mail: jolleye@savannahstate.edu

Finding Control Number: **FS-548-08-02**

### **REVENUES/RECEIVABLES/RECEIPTS**

#### **Inadequate Control Procedures for Collection of Tuition and Fees**

We concur with this finding. Savannah State University will enhance its procedures to perform more aggressive collection efforts (i.e. placing holds on student accounts to prohibit future registration and the receipt of transcripts). The University will ensure that there is sufficient coordination and training between Student Accounts, the Registrar's Office, and Financial Aid to ensure that students are not registered without appropriate financial aid.



# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact Person: Edward B. Jolley, Jr., Vice President for Fiscal Affairs  
Telephone: (912) 351-3812; Fax: (912) 353-3188; E-mail: jolleye@savannahstate.edu

Finding Control Number: **FS-548-08-03**

### **CAPITAL ASSETS**

#### **Inadequate Capital Asset Records**

We concur with this finding. The University is working with USG's OIIT (Office of Information and Institutional Technology) personnel to determine corrections for both misstated prior year balances and current year depreciation calculation variances. Several of the issues are directly related to the operation of the PeopleSoft Financial System, which is under the direct control of OIIT. Additionally, the University is undergoing a review of all processes related to receiving, recording, accountability for, and disposal of fixed assets. Procedures will be reviewed, revised, and documented. In addition, the University will implement enhanced internal review procedures for purposes of maintaining internal controls over fixed assets.

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Finding Control Number: **FA-548-08-01**

### **SPECIAL TESTS AND PROVISIONS**

#### **Deficiencies in Student Financial Aid Refund Process**

#### **Student Financial Aid Cluster Program**

We concur with this finding. Savannah State University will establish procedures to ensure accurate and timely processing and reporting of official withdrawals. This will be accomplished with the development of clear policies and procedures and the revision of the withdrawal form. The Bursar's Office will perform the R2T4 calculation upon notification by the Office of Student Affairs of students' withdrawal, and provide weekly reports to the Office of Financial Aid. Upon notification, students' records will be reviewed, adjustments posted to their accounts, and a report of completion provided to the Bursar. The withdrawal form must be revised to acquire the signatures of the Vice President of Student Affairs, the Registrar, and the Bursar.

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## **SOUTHERN POLYTECHNIC STATE UNIVERSITY**

Finding Control Number: **FS-550-08-01**

### **CAPITAL ASSETS**

#### **Inadequate Capital Asset Records**

1. We concur with this finding. The error related to two (2) MRR projects, MRR 07-01 (\$4,028) and MRR 07-02 (\$28,447). The assets were listing in construction work in progress (CWIP) and not transitioned from CWIP to the asset listing via the Asset Management System. Immediate steps have been taken to properly record these assets and a procedure implemented requiring monthly reconciliation of all assets.
- 2) We concur with this finding. At the time of the fiscal year 2008 audit the University lacked the proper internal controls with regard to capital assets. The University has subsequently documented a policy in chapter 5 of its Internal Control Manual stating that "The Capital Asset Reconciliation will be completed by the 15<sup>th</sup> calendar day after month end and approved by the Assistant Controller for Daily Operations and Reviewed by the Controller."

The University will complete an annual physical inventory of all assets, both small value and capitalized each year.

- 3) We concur with this finding. The University is in agreement with the audit team regarding this issue. The error in the valuing of these assets dates back 3 or more years. The adjustment for this was made in prior year Annual Financial Reports but was not adjusted in the general ledger. This is being corrected in FY09.

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact Person: Arthur Vaughn, Controller  
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Finding Control Number: **FS-550-08-02**  
REVENUES/RECEIVABLES/RECEIPTS  
Inadequate Controls over Continuing Education

We concur with this finding. The Continuing Education Office has not documented existing internal control policies and procedures. Immediate steps have been taken to properly document and monitor Continuing Education Office's internal controls.

In a meeting with the Continuing Education leadership the University's management outlined a process for the Continuing Education Department to document internal controls in accordance with Statement of Auditing Standards (SAS) 112.

The Continuing Education Office's documented policies and procedures will be reviewed by the Controller and the Vice President for Business and Finance by October 31, 2008. Upon approval by the University's management the Continuing Education Office's internal controls will be added to the University's existing internal control manual and compliance monitored on a regular basis.

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Finding Control Number: **FS-550-08-03**  
FINANCIAL REPORTING  
Deficiencies in Financial Statement Presentation  
Significant Deficiency

We concur with this finding. In fiscal year 2008 the University secured financing from the Georgia Higher Education Facilities Authority (GHEFA) to finance various campus based projects.

GHEFA was a new University System funding source in FY08 and the proper accounting treatment for these projects was unknown. The University recorded a single entry in fiscal year 2008 in the amount of \$1,949,959, debiting accounts receivable and crediting capital grants and gifts revenue.

A pronouncement on the accounting treatment was provided by the State Accounting Office after year end. The University has adjusted its accounting policy to conform to the State Accounting Office pronouncement.

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## **MACON STATE COLLEGE**

Finding Control Number: **FA-581-08-01**  
ELIGIBILITY  
Overpayment of Student Financial Aid  
U.S. Department of Education  
Student Financial Aid Cluster Program

The College concurs with both parts of this finding. (1) We acknowledge that our practice for determining a student's satisfactory academic progress contradicted our written policy. We have updated our Satisfactory Academic Progress policy accordingly. (2) We also acknowledge that a student was awarded a subsidized need-based FFEL Stafford loan in error. We have implemented a control in which we run a report each semester to determine that all FFEL loans are awarded correctly.

Contact Person: Pat Simmons, Director of Financial Aid  
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# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

### **MIDDLE GEORGIA COLLEGE**

Finding Control Number: **FS-584-08-01**  
EXPENDITURES/LIABILITIES/DISBURSEMENTS  
EMPLOYEE COMPENSATION  
GENERAL LEDGER  
Inadequate Internal Controls

We concur with this finding. The College reviewed the accounting procedures relative to this finding and is implementing new procedures to improve this area.

The College has reinforced the requirement for approved requisitions and will more effectively monitor this requirement. Changes in the financial accounting system allow for the automatic verification of this requirement for the majority of requisitions. The College's purchasing department reviews requisitions and prepares orders as necessary. Documentation of expenditures not requiring purchase orders has been prepared.

The College has implemented a periodic random sample review for leave usage and balances. This review will verify that usages are entered correctly in the system and that terminated employee leave balances are removed from the system.

The College has implemented a procedure that requires approval of all online journal entries.

Contact Person: Lee Veal, Director of Accounting Services  
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### **SOUTH GEORGIA COLLEGE**

Finding Control Number: **FS-587-08-01**  
GENERAL LEDGER  
CAPITAL ASSETS  
Inadequate Accounting Procedures

We concur with this finding. The College is working with the Board of Regents' Office of Information Technology (OIT) to enter the Capital Lease into the Asset Management module.

The College recognizes that reconciliation of the subsidiary Asset Management Module to the Capital ledger is a requirement. All issues have been identified and correcting entries are being made to the appropriate ledgers. Steps are being taken each month to ensure that these ledgers are reconciled and additional personnel are being hired to address the issue.

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### **DEKALB TECHNICAL COLLEGE**

Finding Control Number: **FS-830-08-01**  
EXPENDITURES/LIABILITIES/DISBURSEMENTS  
Inadequate Internal Controls

We concur with the finding. The College acknowledges there were expenses under GAAP requirements that should have been pulled over from the encumbrance classification to the accounts payable classification. These items in error were invoices for services or goods which remained as encumbrances, and were not pulled over and classified as accounts payable until they were paid out in FY09. The College will implement a procedure at year end that runs available PeopleSoft query provided by the auditor, and ensure all encumbrances that should be classified as accounts payable are re-classified for GAAP purposes.

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Contact Person: Glen Cannon, Vice President for Administrative Services  
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Finding Control Number: **FS-830-08-02**  
CAPITAL ASSETS  
Inadequate Internal Controls

We concur with this finding. The College acknowledges the weakness/deficiencies noted in the audit finding. The College recognizes that an inventory listing must be run on the final close date of the accounting year. The College ran the final inventory report on the day of the expense close, and did not run an additional report at the general ledger close date. This caused a discrepancy between the subsidiary report and the final general ledger amounts. This report is time sensitive and could not be repeated. The College found errors in the depreciation reports produced by the PeopleSoft asset management system related to depreciation calculation, and will do interim balancing during the year to ensure depreciation is being calculated correctly and that any errors the College makes can be found in a timely manner as well. The College will also correct internal procedures to ensure all items have appropriate asset tags.

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## **GEORGIA BUILDING AUTHORITY**

Finding Control Number: **FS-900-08-01**  
CAPITAL ASSETS  
Management of Capital Asset Accounts

We concur with this finding. We will take necessary steps in the future to ensure that capital assets and their accumulated depreciation are properly recorded.

Contact Person: April King, Chief Financial Officer  
Telephone: (404) 463-1473; Fax: (404) 651-9378; E-mail: [april.king@spo.ga.gov](mailto:april.king@spo.ga.gov)

Finding Control Number: **FS-900-08-02**  
EXPENSES/EXPENDITURES AND LIABILITIES  
Management of Accrued Liabilities

We concur with this finding. We will consider the need to periodically record compensated absences payable during the fiscal year, and we will make all required adjustments to compensated absences payable as of each fiscal year end.

Contact Person: April King, Chief Financial Officer  
Telephone: (404) 463-1473; Fax: (404) 651-9378; E-mail: [april.king@spo.ga.gov](mailto:april.king@spo.ga.gov)

## **GEORGIA HIGHER EDUCATION ASSISTANCE CORPORATION**

Finding Control Number: **FA-918-08-01**  
REPORTING

Failure to establish adequate procedures to verify a student's loan status with the lender as well as establish adequate procedures to ensure that lenders report, and the Corporation properly records, loans paid in full

We agree that one exception out of a sample of sixty was noted during the current review. The Corporation will continue to look for ways to enhance this reporting. The Corporation's current procedure provides a list of loans that the lender has failed to report to the guarantor in the previous quarter. This procedure alerts and encourages lenders about their responsibility to provide information about loans that they have missed in their monthly reporting to the guarantor. Beginning October 2008, the guarantor will call lenders to notify them of issues if they have taken no action on the Unreported Loan Report.

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FA-918-08-02**

### **REPORTING**

Failure to maintain current records

We agree that the Corporation did not include complete information on two accounts.

The process of getting the status change information, received from the Clearinghouse, updated in the guarantor's data base is a manual process. Currently emails with enrollment/status file information are sent to a primary staff member, with copies to two secondary staff members, informing them that a file has been received by Great Lakes who maintains the Corporation's data base. The primary staff member submits a production run request to Great Lakes so that the file can be processed. Since there are multiple files sent each week and only one production run request can be submitted per day, there was a delay in processing one of the files. A control process will be put in place to ensure that the enrollment/status information is updated within 10 days.

Finding Control Number: **FA-918-08-03**

### **REPORTING**

Failure to charge appropriate costs for default collection activities to borrowers on defaulted loans.

We agree that the Corporation did not appropriately update the default collection fees charged to borrowers.

The Corporation has put new controls in place to ensure that all rate change notices from the U.S. Department of Education are implemented as appropriate.

## **STATE ROAD AND TOLLWAY AUTHORITY**

Finding Control Number: **FS-927-08-01**

### **EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS**

Reconciliation of Fund Balance

The Authority will appropriately analyze all sales of capital assets and perform equity reconciliations during its year-end close out procedures.

Contact Person: Dawn Carter, Accounting Manager

Telephone: (404) 893-6154; Fax: (404) 893-6144; E-mail: [dcarter@georgiatolls.com](mailto:dcarter@georgiatolls.com)

Finding Control Number: **FS-927-08-02**

### **EXPENSE/EXPENDITURES AND LIABILITIES**

Interfund Activity Including Allocating and Recording of Liabilities and Expenditures/Expenses

The Authority already has procedures in place to recognize and record intrafund reimbursable expenditures during each accounting period including year-end. These procedures will be revised to include accruals for interfund payables.

Contact Person: Dawn Carter, Accounting Manager

Telephone: (404) 893-6154; Fax: (404) 893-6144; E-mail: [dcarter@georgiatolls.com](mailto:dcarter@georgiatolls.com)

Finding Control Number: **FS-927-08-03**

### **GENERAL LEDGER**

Maintenance of the General Ledger (Proprietary Fund)

The Authority already has procedures in place to reconcile all balance sheet accounts during each accounting period. These procedures will be revised to include the accrued vacation liability account.

Contact Person: Dawn Carter, Accounting Manager

Telephone: (404) 893-6154; Fax: (404) 893-6144; E-mail: [dcarter@georgiatolls.com](mailto:dcarter@georgiatolls.com)

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

Finding Control Number: **FS-927-08-04**  
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY  
Reporting of Investments at Fair Value

The Authority will review all investment transactions to ensure they are reported at fair value. General ledger balances will be reconciled to the fair market value of investments as reported on investment statements.

Contact Person: Dawn Carter, Accounting Manager  
Telephone: (404) 893-6154; Fax: (404) 893-6144; E-mail: [dcarter@georgiatolls.com](mailto:dcarter@georgiatolls.com)

Finding Control Number: **FS-927-08-05**  
ACCOUNTING CONTROLS (OVERALL)  
Segregation of Duties Related to the General Ledger Software

Because of the size of the accounting department, employees are required to provide support to each other in processing data in the general ledger system. However, compensating controls are in place to reduce the risk of an existing or potential control weakness. These controls consist of the following:

1. Audit trails exist to provide information on who initiated the transaction, the time of day and date of entry, the type of entry, what fields of information it contained, and what files it updated.
2. All transactions are edited prior to posting by the Accountant III, and then reviewed by the Accounting Manager.

The Authority will further increase controls by limiting access to the posting function to the Accounting Manager and Accountant III.

Contact Person: Dawn Carter, Accounting Manager  
Telephone: (404) 893-6154; Fax: (404) 893-6144; E-mail: [dcarter@georgiatolls.com](mailto:dcarter@georgiatolls.com)

Finding Control Number: **FA-927-08-01**  
ACCOUNTING CONTROLS (OVERALL)  
Segregation of Duties Related to the General Ledger Software

Because of the size of the accounting department, employees are required to provide support to each other in processing data in the general ledger system. However, compensating controls are in place to reduce the risk of an existing or potential control weakness. These controls consist of the following:

1. Audit trails exist to provide information on who initiated the transaction, the time of day and date of entry, the type of entry, what fields of information it contained, and what files it updated.
2. All transactions are edited prior to posting by the Accountant III, and then reviewed by the Accounting Manager.

The Authority will further increase controls by limiting access to the posting function to the Accounting Manager and Accountant III.

Contact Person: Dawn Carter, Accounting Manager  
Telephone: (404) 893-6154; Fax: (404) 893-6144; E-mail: [dcarter@georgiatolls.com](mailto:dcarter@georgiatolls.com)

## **GEORGIA TECH RESEARCH CORPORATION**

Finding Control Number: **FS-5036-08-01**  
REVENUES/RECEIVABLES/RECEIPTS  
Inadequate Accounting Procedures

Management concurs with the importance of attention to overruns and the recommendation to implement procedures for ongoing review of over-budget projects. We will review the current cost overrun policies with the Board and will

# State of Georgia

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## **Auditee's Corrective Action Plans For the Fiscal Year Ended June 30, 2008**

recommend an update to the policies and procedures.

Contact Person: Barbara Alexander, Director, GTRC/GTARC Accounting  
Telephone: (404) 894-6962; Fax: (404) 385-2078; E-mail: [barbara.alexander@gtrc.gatech.edu](mailto:barbara.alexander@gtrc.gatech.edu)

Finding Control Number: **FS-5036-08-02**  
GENERAL LEDGER  
Inadequate Accounting Procedures  
Significant Deficiency

Management concurs with the finding and recommendation. We will develop a mechanism for reviewing all manual entries to ensure approval by the appropriate level of management. Additionally, we will develop a process to ensure that all necessary period end manual adjustments are identified and posted. In the future, GTRC/GTARC intends to post the entries referred to above.

Contact Person: Barbara Alexander, Director, GTRC/GTARC Accounting  
Telephone: (404) 894-6962; Fax: (404) 385-2078; E-mail: [barbara.alexander@gtrc.gatech.edu](mailto:barbara.alexander@gtrc.gatech.edu)

## **MEDICAL COLLEGE OF GEORGIA HEALTH, INCORPORATED**

Finding Control Number: **FS-5124-08-01**  
REVENUES AND RECEIVABLES  
Analysis Supporting Valuation of Patient Accounts Receivable and Third-Party Settlements

Management agrees with the recommendation and will continue to make improvements in the estimates for accounts receivable allowances and third-party settlements.

The current practice of estimation of accounts receivable allowances includes monthly review of changes in accounts receivable payer mix and aging by payor in order to consider any necessary adjustment to our existing model for shifts in payor mix and aging, particularly as related to balances classified as 'self pay.' Additionally, a 'lagged cash' or 'lagged booked revenue to cash receipts' test is performed to look for unusual variance in previously recorded revenue as compared to current cash receipts. These procedures, which have been implemented within the last two fiscal years, are meant to mitigate some of the risks described. Finance, Patient Accounting, and Information Systems are already developing the reports and data sets required to build an accounts receivable estimation model that will, at a minimum, provide estimates based on historical collection rates by payor and, as appropriate, by aging category.

A review has also been initiated with respect to estimates of third-party liabilities. Close attention is being paid to the estimation and recording of current fiscal year balances. Reserve estimates related to prior year cost report settlements are also being continuously reviewed and updated and will be supported by actual and anticipated audit and settlement experience.

Contact Person: Dennis R. Roemer, Sr. Vice President, Chief Financial Officer  
Telephone: (706) 721-3929; Fax: (706) 721-6126; E-mail: [droemer@mcg.edu](mailto:droemer@mcg.edu)

## **Appendix “A”**

### **Organizational Units**

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# State of Georgia

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## **Listing of Organizational Units Comprising The State of Georgia Reporting Entity For the Fiscal Year Ended June 30, 2008**

<b><u>ORGANIZATIONAL UNIT</u></b>	<b><u>CONTROL NUMBERS</u></b>
Accounting Office, State	407
Administrative Services, Department of	403
Agricultural Exposition Authority, Georgia	926
Agriculture, Department of	402
Agrirama Development Authority, Georgia	940
Audits and Accounts, Department of (*)	404
Aviation Hall of Fame, Georgia	483
Banking and Finance, Department of	406
Building Authority, Georgia	
Regular (*)	900
Hospital (*)	903
Markets (*)	904
Penal (*)	905
Community Affairs, Department of	428
Community Health, Department of (*)	419
Correctional Industries Administration, Georgia	921
Corrections, Department of	467
Defense, Department of	411
Development Authority, Georgia (*)	914
Driver Services, Department of	475
Early Care and Learning, Department of	469
Economic Development, Department of	429
Economic Development Foundation, Inc., Georgia	989
Tourism Foundation, Georgia	990
Education, Department of	414
Education Authority (University), Georgia (*)	907
Environmental Facilities Authority, Georgia (*)	928
Financing and Investment Commission, Georgia State (*)	409
Forestry Commission, Georgia	420
Games Commission, State	496
General Assembly, Georgia (*)	444
Golf Hall of Fame Authority, Georgia	975
Golf Hall of Fame Board, Georgia	958
Governor, Office of the	422
Higher Education Assistance Corporation, Georgia (*)	918
Higher Education Facilities Authority, Georgia (*)	969
Highway Authority, Georgia	924
Housing and Finance Authority, Georgia (*)	923
Human Resources, Department of	427
Insurance, Department of	408
International and Maritime Trade Center Authority, Georgia (*)	974
Investigation, Georgia Bureau of	471
Jekyll Island State Park Authority	910
Judicial Branch	430
Juvenile Justice, Department of	461
Labor, Department of	440
Lake Lanier Islands Development Authority	913
Law, Department of	442
Lottery Corporation, Georgia (*)	973
Medical Center Authority, Georgia (*)	982
Music Hall of Fame Authority, Georgia	929
Natural Resources, Department of	462
North Georgia Mountains Authority	912
Oconee River Greenway Authority	988
OneGeorgia Authority	981
Pardons and Paroles, State Board of	465

# State of Georgia

## **Listing of Organizational Units Comprising The State of Georgia Reporting Entity For the Fiscal Year Ended June 30, 2008**

### **CONTROL NUMBERS**

#### **ORGANIZATIONAL UNIT**

##### **Pension Funds**

Employees' Retirement System of Georgia (*)	
Regular	416
Deferred Compensation Plan	n/a
Defined Contribution Plan	n/a
District Attorneys Retirement Fund	946
Judicial Retirement System	n/a
Legislative Retirement System	n/a
Military Pension Fund	n/a
Public School Employees' Retirement System	468
State Employees' Assurance Department	n/a
Superior Court Judges Retirement Fund	945
Firefighter's Pension Fund, Georgia	950
Judges of the Probate Court Retirement Fund	949
Magistrates Retirement Fund	991
Peace Officers' Annuity and Benefit Fund of Georgia	947
Sheriffs' Retirement Fund of Georgia	951
Superior Court Clerks' Retirement Fund of Georgia (*)	948
Teachers Retirement System of Georgia (*)	482
Personnel Administration, State	460
Ports Authority, Georgia (*)	916
Properties Commission, State (*)	203
Public Defender Standards Council, Georgia	492
Public Safety, Department of	466
Public Service Commission	470
Public Telecommunications Commission, Georgia	977
Rail Passenger Authority, Georgia	960
Regents of the University System of Georgia, Board of	472
Colleges, Universities and Foundations	
Research Universities	
Georgia Institute of Technology (*)	503
Georgia Tech Athletic Association (*)	5032
Georgia Tech Facilities, Incorporated (*)	5034
Georgia Tech Foundation, Incorporated (*)	5035
Georgia Tech Research Corporation (*)	5036
Georgia State University	509
Georgia State University Foundation (*)	5091
Medical College of Georgia	512
Medical College of Georgia Foundation, Incorporated (*)	5122
Medical College of Georgia Health, Incorporated (*)	5124
Medical College of Georgia Physician's Practice Group Foundation (*)	5125
University of Georgia (*)	518
University of Georgia Athletic Association, Incorporated (*)	5181
University of Georgia Foundation (*)	5182
University of Georgia Research Foundation, Incorporated (*)	5184
Regional Universities	
Georgia Southern University	539
Georgia Southern University Housing Foundation, Incorporated (*)	5392
Valdosta State University	551
State Universities	
Albany State University	521
Armstrong Atlantic State University	524
Augusta State University	527
Clayton State University	528
Columbus State University	530
Fort Valley State University	533

# State of Georgia

## Listing of Organizational Units Comprising The State of Georgia Reporting Entity For the Fiscal Year Ended June 30, 2008

<u>ORGANIZATIONAL UNIT</u>	<u>CONTROL NUMBERS</u>
State Universities ( <i>continued</i> )	
Georgia College and State University	536
Georgia College and State University Foundation (*)	5362
Georgia Southwestern State University	542
Kennesaw State University	543
Kennesaw State University Foundation, Incorporated (*)	5431
North Georgia College and State University	545
Savannah State University	548
Southern Polytechnic State University	550
University of West Georgia	554
State Colleges	
Abraham Baldwin Agricultural College	557
Dalton State College	569
Gainesville College	575
Georgia Gwinnett College	540
Gordon College	576
Macon State College	581
Middle Georgia College	584
Two-Year Colleges	
Atlanta Metropolitan College	561
Bainbridge College	562
Coastal Georgia Community College	563
Darton College	570
East Georgia College	572
Georgia Highlands College	573
Georgia Perimeter College	571
South Georgia College	587
Waycross College	589
Other	
Georgia Military College	968
Skidaway Institute of Oceanography	593
Regional Educational Service Agencies (RESA)	
Central Savannah River Area RESA	8684
Chattahoochee-Flint RESA	8724
Coastal Plains RESA	8864
First District RESA	8804
Griffin RESA	8624
Heart of Georgia RESA	8764
Metropolitan RESA	8564
Middle Georgia RESA	8644
North Georgia RESA	8524
Northeast Georgia RESA	8584
Northwest Georgia RESA	8504
Oconee RESA	8664
Okefenokee RESA	8884
Pioneer RESA	8544
Southwest Georgia RESA	8844
West Georgia RESA	8604
Regional Transportation Authority, Georgia	976
Removal of Hazardous Materials, Agency for	497
Revenue, Department of	474
Road and Tollway Authority, State (*)	927
Sapelo Island Heritage Authority	942
Secretary of State	478
Seed Development Commission, Georgia	919
Soil and Water Conservation Commission, State	480
Southwest Georgia Railroad Excursion Authority	984

# State of Georgia

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## Listing of Organizational Units Comprising The State of Georgia Reporting Entity For the Fiscal Year Ended June 30, 2008

<u>ORGANIZATIONAL UNIT</u>	<u>CONTROL NUMBERS</u>
Sports Hall of Fame Authority, Georgia	944
Stone Mountain Memorial Association (*)	911
Student Finance Authority, Georgia (*)	917
Student Finance Commission, Georgia	476
Subsequent Injury Trust Fund Board of Trustees	489
Superior Court Clerks Cooperative Authority, Georgia (*)	955
Technical and Adult Education, Department of	415
State Technical Colleges	
Albany Technical College	820
Altamaha Technical College	821
Appalachian Technical College	840
Athens Technical College	822
Atlanta Technical College	823
Augusta Technical College	824
Central Georgia Technical College	835
Chattahoochee Technical College	827
Columbus Technical College	828
Coosa Valley Technical College	829
DeKalb Technical College	830
East Central Technical College	825
Flint River Technical College	847
Griffin Technical College	831
Gwinnett Technical College	832
Heart of Georgia Technical College	833
Lanier Technical College	834
Middle Georgia Technical College	836
Moultrie Technical College	837
North Georgia Technical College	838
North Metro Technical College	839
Northwestern Technical College	849
Ogeechee Technical College	844
Okefenokee Technical College	818
Sandersville Technical College	817
Savannah Technical College	841
South Georgia Technical College	842
Southeastern Technical College	843
Southwest Georgia Technical College	846
Swainsboro Technical College	845
Valdosta Technical College	848
West Central Technical College	826
West Georgia Technical College	819
Technology Authority, Georgia	980
Transportation, Department of	484
Treasury and Fiscal Services, Office of	486
Veterans Service, State Department of	488
Workers' Compensation, State Board of	490
World Congress Center Authority, Geo. L. Smith II, Georgia	922

(\*) Audits of these organizational units performed in whole or in part by other auditors.