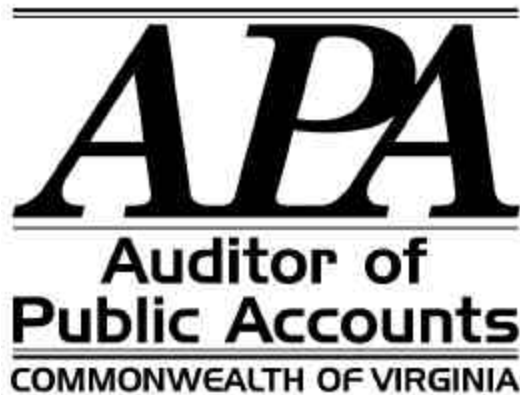


COMMONWEALTH OF VIRGINIA
SINGLE AUDIT REPORT

For the Year Ended
June 30, 2002



EXECUTIVE SUMMARY

The results of our single audit of the Commonwealth of Virginia for the year ended June 30, 2002 are summarized below:

- We issued an unqualified opinion on the basic financial statements;
- We found certain matters that we consider reportable conditions, one of which we identified as a material weakness in the internal control over financial reporting;
- We did not identify instances of noncompliance with selected provisions of applicable laws and regulations which could have a material effect on the basic financial statements;
- We did not identify material weaknesses in the internal control over major programs; however, we did find certain matters and instances of noncompliance with selected provisions of laws and regulations related to major programs required to be reported in accordance with OMB Circular A-133, Section .510(a); and
- We issued an unqualified opinion on the Commonwealth's compliance with requirements applicable to each major program.

Our audit findings are reported in the accompanying "Schedule of Findings and Questioned Costs."

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ACRONYMS OF AGENCIES AND INSTITUTIONS AND STATE
AGENCY CONTACTS

March 21, 2003

The Honorable Mark R. Warner
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable Kevin G. Miller
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

We are pleased to submit the statewide **Single Audit Report of the Commonwealth of Virginia**, for the fiscal year ended June 30, 2002.

The Single Audit Report for the Commonwealth of Virginia discloses the Commonwealth's compliance with requirements applicable to major federal financial assistance programs. The statewide Single Audit Report provides the General Assembly and agency management with a means to determine how internal controls affect federal funds and whether agencies are complying with federal laws and regulations.

I would like to express my appreciation to the many individuals whose efforts assisted in preparing this report. This report could not have been accomplished without the professionalism and dedication demonstrated by the staff within this Office. We would like to recognize the agency and institution management, and federal program and financial staffs for their cooperation and assistance in resolving single audit issues.

We believe this report represents a significant indication of the sound fiscal operations of federal funds in the Commonwealth. The report should greatly assist agency management in administering federal programs and enhance their dealings with federal agencies.

AUDITOR OF PUBLIC ACCOUNTS

JHT:whb

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON THE AUDIT OF THE BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the basic financial statements of the Commonwealth of Virginia, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 12, 2002. This report relates only to the Commonwealth and not to certain agencies and component units that were audited by other auditors discussed in Note 1-B of the “Notes to Financial Statements.”

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.

Compliance

As part of obtaining reasonable assurance about whether the Commonwealth of Virginia’s basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the individual state agencies and institutions.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commonwealth of Virginia’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Commonwealth’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the basic financial statements. These reportable conditions are described in the accompanying “Schedule of Findings and Questioned Costs” as items 02-1 through 02-16.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 02-1 to be a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the individual state agencies and institutions.

This report is intended solely for the information and use of the Governor and General Assembly of Virginia, management, 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.

AUDITOR OF PUBLIC ACCOUNTS
December 12, 2002

JHT:whb

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

Compliance

We have audited the compliance of the Commonwealth of Virginia 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, 2002. The Commonwealth'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 Commonwealth's management. Our responsibility is to express an opinion on the Commonwealth's compliance based on our audit. This report relates only to the Commonwealth and not to the agencies and component units discussed in Note 1 of the "Notes to the Schedule of Expenditures of Federal Awards."

We conducted our audits 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 Commonwealth'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 Commonwealth's compliance with those requirements.

In our opinion, the Commonwealth of Virginia 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, 2002. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying "Schedule of Findings and Questioned Costs" as items 02-18 through 02-27.

Internal Control Over Compliance

The management of the Commonwealth is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered the Commonwealth's internal control over compliance with 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Commonwealth's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. These reportable conditions are described in the accompanying "Schedule of Findings and Questioned Costs" as items 02-17 through 02-37.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the Governor and General Assembly of Virginia, management, 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.

AUDITOR OF PUBLIC ACCOUNTS
March 21, 2003

JHT:whb

COMMONWEALTH OF VIRGINIA
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2002

Financial Statements

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>Yes</u>
Reportable conditions identified not considered to be material weaknesses?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal Control over major programs:	
Material weakness identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>Yes</u>

Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	<u>Yes</u>
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The Commonwealth's major programs are as follows:

CFDA Number(s)	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
17.225	Unemployment Insurance
59.037	Small Business Development Center
66.468	Capitalization Grants for Drinking Water State Revolving Fund
83.548	Hazard Mitigation Grant
83.552	Emergency Management Performance Grants
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.340	Class Size Reduction
93.558	Temporary Assistance for Needy Families (TANF)

CFDA Number(s)	Name of Federal Program or Cluster
93.563	Child Support Enforcement (CSE)
93.568	Low-Income Home Energy Assistance
93.658	Foster Care: Title IV-E
93.667	Social Services Block Grant (SSBG)
93.767	State Children's Insurance Program
10.551 10.561	Food Stamp Cluster
17.207 17.801 17.804	Employment Services Cluster
17.258 17.259 17.260	Workforce Investment Act (WIA) Cluster
20.205 23.003	Highway Planning and Construction Cluster
93.575 93.596	Child Care Cluster
93.775 93.777 93.778	Medicaid Cluster
84.007 84.032 84.033 84.038 84.063 84.268 93.342 93.364 93.925	Student Financial Assistance Cluster
(Footnote 2A)	Research and Development Cluster

Dollar threshold used to distinguish between

Type A programs: \$21,350,366

Type B programs: \$ 2,135,037

Commonwealth qualified as low-risk auditee?

No

FINANCIAL STATEMENT FINDINGS

DEPRECIABLE CAPITAL ASSETS

02-01 Improve Internal Controls over Assets to Prevent Capital Asset Misstatements

Applicable to: Department of Transportation

Transportation did not fully prepare for the recording and reporting of capital assets under the new governmental reporting model, GASB Statement No. 34. Transportation did not properly identify and address all issues surrounding the new reporting requirements for capital assets, did not provide guidance to all personnel responsible for maintaining capital assets, and did not properly report capital assets.

We first reported our concern about Transportation's ability to properly prepare for the implementation of GASB Statement No. 34 in our 1999 audit report in a finding entitled "Monitor and Comply with Accounting and Reporting Standards and Properly Prepare Financial Statements." We specifically identified GASB Statement No. 34 implementation and reported that the changes would be so substantial that the financial staff would need to restructure how they performed most of their work. In 1999, we recommended that management work with the financial staff to develop a working plan to address the implementation issues surrounding the changes in financial reporting. In our 2001 audit report, we again expressed our concerns over financial reporting procedures and recommended that Transportation use the GASB Statement No. 34 implementation process to establish written policies and procedures for financial statement preparation. Transportation did perform substantial work addressing the implementation of infrastructure asset capitalization, including participation with GASB and other groups on implementation issues, setting up a GASB 34 website, and providing guidance to localities. We recognize Transportation for the lead role they took regarding infrastructure implementation issues. Transportation did not, however, fully address the capitalization and depreciation of assets other than infrastructure.

We found several recording and reporting errors during our audit of Transportation's capital asset balances including a net \$34 million dollar overstatement of Transportation's reported capital asset balances and a net \$3.5 million understatement of reported depreciation expense. In fiscal year 2001, Transportation's capital asset balances comprised a significant portion of the Commonwealth's capital asset balances as reported in the Commonwealth's Comprehensive Annual Financial Report (CAFR). Because Transportation's capital assets are a significant portion of the Commonwealth's reported capital asset balances, it is important that Transportation accurately report these balances. We believe the controls surrounding capital assets are inadequate and that these issues are so pervasive that they represent a material weakness in Transportation's internal controls.

Briefly, we found:

- Transportation has not capitalized all building construction as construction in progress as it occurs nor is Transportation able to identify all building construction currently in progress.

- Transportation has not capitalized all costs associated with capital assets and has not recorded any improvements to land and buildings. For example, Transportation has not capitalized the costs of parking lots, fences, or sewer systems.
- Transportation capitalized a Welcome Center financed through its Six Year (Highway Construction) Program twice as both highway system infrastructure and as a building. The amount capitalized as a building represented only half of the project's \$8.3 million cost.
- Transportation incorrectly recorded and reported over \$4 million in accumulated depreciation on controlled (not capitalized) assets, thereby understating assets.
- Transportation did not record or report accumulated depreciation or depreciation expense for one category of capitalized equipment, which overstated assets \$22.3 million and understated expenses by \$3.9 million.
- Transportation's Administrative Services division required all districts and divisions to complete an annual inventory of major equipment during fiscal year 2002. Four divisions and one district did not complete the inventory: Fiscal, Construction, Data Management, and Community and Public Relations divisions and the Northern Virginia District. These divisions and district account for approximately 10 percent of the asset inventory, which Transportation valued at \$19.5 million for fiscal year 2002.

We found that Transportation is only tracking and capitalizing construction in progress on assets constructed as part of the Commonwealth's capital outlay program and approved in the Appropriations Act. The Fiscal Division was unaware that divisions outside of the Capital Outlay division construct and acquire buildings and other improvements using funding from the Six Year Program for highways. As a result, Transportation is not tracking and recording construction in progress on these projects during construction and cannot determine what projects are currently in progress. The Fiscal Division could not identify project construction related expenses in the financial reporting system (FMSII) other than capital outlay expenses because the highway construction program includes these expenses. Transportation does not have a uniform policy for constructing and recording buildings and other improvements outside of the capital outlay process. Transportation relies on the responsible division, district, residency, or area headquarters to inform the Capital Outlay section that they have acquired an asset.

Commonwealth accounting and reporting procedures establish four categories of capitalizable fixed assets, specifically land, buildings, improvements other than buildings (now infrastructure), and equipment. Several years ago Transportation requested and received an exemption from the Department of Accounts allowing them not to capitalize any assets as improvements other than buildings, which now includes infrastructure. With the implementation of GASB Statement No. 34, this exemption is no longer valid since GASB Statement No. 34 requires the capitalization of all infrastructure. Because Transportation did not adequately prepare for GASB Statement No. 34 and research all relevant issues, Transportation's Fiscal Division did not identify that Transportation was not capitalizing improvements other than buildings. Similarly, Fiscal was also unaware that they had recorded depreciation on controlled

assets and had not recorded depreciation on material amounts of capitalized assets, as noted above.

Additionally, because Transportation had an exemption from recording improvements other than buildings before implementation of GASB Statement No. 34, Transportation is not capitalizing the entire cost of a project. Transportation only capitalizes the portion of the project expenses they believe to be the land and building costs. We also found that Transportation was not using a rational or uniform method to determine the amount to capitalize. In one instance, we identified \$8.3 million in project expenses for a Welcome Center completed and capitalized during fiscal year 2002 for which Transportation capitalized only \$4.1 million as a building. Because the Fiscal Division was not aware of these types of projects and the fact that the funding flows through the Six Year Program, the Fiscal Division also capitalized the entire cost (\$8.3 million) of the Welcome Center as Road System Infrastructure.

Transportation has the responsibility for capitalizing all weigh station land and buildings and all welcome centers and rest stops as well as Transportation's own capital assets. The omission of improvements other than buildings considerably understates the value of Transportation's capital asset balances. GASB Statement No. 34 allows governmental entities to report infrastructure prospectively for the fiscal years 2002 through 2005. By 2006, governments must report infrastructure retroactively back to 1980. As GASB provides the phase in period for the capitalization of infrastructure, we allowed Transportation to estimate improvements other than buildings additions only for fiscal year 2002. Transportation must develop a method to capture and capitalize the costs of improvements other than buildings for existing assets and for future projects so that they can capitalize this information by 2006. Transportation must also determine and record accumulated depreciation on those assets based on year of acquisition and useful life.

Transportation does not have uniform agency-wide policies and procedures for recording and reporting capital assets and has not designated a responsible individual or division to ensure proper recording of all categories of capital assets. Transportation groups its fixed assets into many smaller categories. Multiple individuals, divisions, and districts have responsibility for recording, managing, inventorying, and reporting these assets. There is no communication between these individuals, divisions, and districts or with the Fiscal division. Transportation records and tracks the different categories of capital assets using several different systems and an access database. Transportation's use of multiple systems and schedules makes tracking capital assets extremely difficult. In addition, Transportation does not code all capital asset additions and the related expenses associated with the capital asset acquisition uniformly in its financial reporting system, FMSII. As a result, Transportation is not able to readily identify and properly categorize all capital asset additions. These internal control weaknesses resulted in both material omissions and the double counting of assets.

Transportation should place overall responsibility for capital assets with one individual, group, or division. The responsible area should prepare written agency-wide policies and procedures for recording and reporting capital assets and ensure compliance with the policies. The policies should include uniform financial recording procedures so that Transportation can readily identify all asset acquisition expenses, capture all asset additions and disposals, and depreciate all capitalized assets in accordance with state accounting policies. Transportation should develop controls and oversight for all construction projects, not just those in capital outlay, and should ensure proper capitalization of all project related expenses. Transportation must determine the value of all improvements other than buildings and capitalize those amounts, and the related depreciation by 2006 and must determine a method to ensure that new improvement

projects are captured and capitalized as they occur. Transportation should take immediate action to address and resolve these issues.

Management Plan for Corrective Action:

Transportation will modify and develop additional agency-wide policies and procedures for recording and reporting capital assets. We will ensure compliance with the policies and conduct training.

Responsible Position: Chief Financial Officer

Estimated Completion Date: April 30, 2003

FINANCIAL REPORTING

02-02 Improve Reporting and Recording of Leases

Applicable to: Department of Health

Health is not properly accounting for their leases. We found fifteen of twenty (75 percent) leases selected for review either not recorded or improperly recorded on the Lease Accounting System (LAS). In addition, Health did not perform an accurate and complete reconciliation between LAS and the Commonwealth Accounting and Reporting System (CARS), and there is no reconciliation between the Department's internal lease tracking system and the LAS system to ensure the proper recording of all leases.

Also, there are no internal policies and procedures for lease management including identifying responsibilities for using the internal lease tracking system and its reconciliation process. We noted several instances where lease inception dates did not agree to LAS or the internal lease tracking system. Policies and procedures and the reconciliation process are important for consistency, to ensure everyone understands their responsibilities, and ensure the proper recording and updating of all lease information.

Health should develop policies and procedures for reporting and recording leases to ensure they properly identify, record, and report all leases. In addition, Health should perform a complete and accurate monthly reconciliation of LAS, CARS, and their internal Lease Tracking System. Health has a significant number and amount of leases and proper recording and reporting to the State Comptroller are essential for disclosure in the Commonwealth's Annual Financial Report.

Management Plan for Corrective Action:

In October 2002, the agency convened a meeting of managers knowledgeable/responsible for lease execution and accounting to identify possible corrective actions. As a result we scheduled Lease Accounting Training with the Department of Accounts (DOA) for the Lease Accountant, the Fixed Asset Accounting and Control System (FAACS) Accountant and the Assistant General Accounting Manager. In January 2003, we held our first training session with the field (programs and health districts) on lease administration and preparation of lease documents.

The agency also plans to implement an ongoing management review of all lease transactions prior to submission to DOA. As part of this implementation, a review of each lease recorded in LAS to determine entries are consistent with lease documents will be completed by March 2003.

In November 2002, the agency modified the internal Financial & Administrative (F&A) system to require a valid current lease number to be entered into the agency reference field on the accounting voucher and this lease number is verified against the leases recorded in the F&A Lease Tracking module. We also modified the Lease tracking module to include lease end date and termination information. By the end of April 2003, the internal Financial and Administrative System will be modified to accommodate temporary leases and to allow using multiple cost codes for payment of leases.

In February 2003, the Office of Purchasing and General Services (OPGS) will send a letter to all districts/offices/divisions reminding them that they cannot occupy a new space without a properly executed lease, the proper way to renew a lease, the forms needed, method of payment, etc. OPGS has reviewed all agreements for storage space and by the end of March 2003; these leases will be completed, signed and entered into the F&A system.

*Responsible Position: Helen Tarantino, Deputy Commissioner for Administration
Tom Williams, Director, Office of Purchasing and General Services
Robert Zukowski, Director, Division of Accounting Services*

Estimated Completion Date: April 2003

02-03 Properly Track and Record Leases and Lease Payments

Applicable to: Department of Transportation

As reported in the previous audit, Transportation does not properly track and record leases and lease payments. Transportation did address our concerns; however, there are additional matters that Transportation must address. Transportation must record all leases, with the exception of its Seat Management Lease, on LAS. Transportation must compile and record all lease information for lease disclosure purposes. We found several internal control weaknesses that resulted in a \$21 million overstatement of Transportation's lease commitment disclosure and the improper recording of leases on LAS. In addition, Transportation is not recording lease payments in accordance with Commonwealth accounting policies. Transportation lacks communication between responsible areas and lacks specific, readily identifiable procedures for lease transactions.

We found:

- Transportation does not have adequate procedures to track all of its leases. Transportation does not record the Seat Management Lease on LAS because lease payments fluctuate based on the total equipment rented, not a stated monthly total. Transportation and the Department of Accounts (DOA) have agreed not to include this lease in LAS, provided that Transportation had adequate controls to properly account for the lease. Transportation has not developed procedures to properly track the terms and conditions of the lease, and therefore overestimated the total future value of the lease payments by more than \$21 million.

- Transportation does not have procedures to ensure that personnel properly forward lease documentation to the Department of Accounts (DOA) for recording in LAS. Based on the lease terms reported by Transportation personnel, the Administrative Services Division prepares lease documentation for submission to DOA. Because agency personnel incorrectly reported lease terms to Administrative Services, Transportation improperly recorded in LAS four of the eight (50 percent) leases tested.
- Agency employees are not properly recording lease expenses in Transportation's accounting system. In eight of twelve (67 percent) vouchers tested, Transportation either improperly recorded non-lease expenses as lease payments or improperly recorded lease payments as a non-lease expense. As a result, lease payments in Transportation's Financial Management System II (FMSII) and the Commonwealth Accounting and Reporting System (CARS) are not properly stated.

Transportation should implement procedures to ensure proper tracking and recording of leases in LAS, FMSII, and CARS. In addition, management should develop procedures to properly track the Seat Management Leases for proper lease commitment disclosure.

Management Plan for Corrective Action:

Transportation will modify existing procedures by adding additional clarification pertaining to the use of object codes related to lease payments.

Responsible Position: Chief Financial Officer

Estimated Completion Date: April 30, 2003

02-04 Develop Procedures to Properly Track Contractual Commitments

Applicable to: Department of Transportation

Transportation does not have procedures to properly track its contractual commitments. When Transportation enters into a contract, personnel record the total value of the contract in FMSII. As Transportation makes payments and processes change orders against the contract, the remaining commitment of the contract changes. At fiscal year end, Transportation performs a manual reconciliation of the contractual commitment liabilities to develop the contractual commitment balance for inclusion in the Commonwealth's CAFR.

Transportation's fiscal year 2002 contractual commitments totaled approximately \$2 billion. We found internal control weaknesses in the recording of contract payments and the preparation of the contractual commitment disclosure that caused a \$255 million adjustment to Transportation's fiscal year end contractual commitment disclosure.

Specifically,

- Transportation personnel do not always charge contract expenses to the proper contract. Transportation did not properly record all vendor payments to the correct vendor's contract in twenty-seven percent of the

contracts tested, resulting in a \$29 million dollar decrease in the contractual commitment liability as originally reported.

- Transportation personnel are not properly recording the terms of contracts in FMS II. We found three contracts where personnel did not properly record the total contract value in FMSII, resulting in a \$284 million increase in the contractual commitment to reflect the actual value of the contracts. In addition, we found several other contracts, listed in FMSII, with a negative contractual commitment balance. Negative contractual commitments result from personnel not properly updating the terms of the contract or not charging expenses to the correct contract. Transportation must manually adjust the commitment liability to eliminate the negative balances.
- Agency personnel do not always process a final voucher in FMSII to close out the contract in the system. Transportation must manually research the contracts to determine status.
- Transportation does not have proper procedures for tracking outstanding contractual commitments. FMSII cannot generate an accurate contractual commitment figure and central office personnel must perform a labor intensive and largely ineffective manual reconciliation of the contractual commitment liabilities. Transportation amended the contractual commitments as reported in FMSII by over \$89 million dollars. We also found additional adjustments that Transportation personnel missed during the reconciliation.

Transportation should implement procedures to ensure that personnel properly record contracts, contract modifications, and contract expenses, including requiring a contract number before processing expense payments in FMSII. Transportation should develop procedures for ensuring that minor price changes that do not require contract modifications do not affect the remaining contractual commitment for the contract. Transportation should also develop a process to ensure that agency personnel are processing the final voucher in FMSII upon completion of the contract. Implementing these recommendations should improve the reconciliation process at fiscal year end and decrease the adjustments necessary to obtain an accurate contractual commitment balance.

Management Plan for Corrective Action:

Transportation will review, modify, and develop additional written agency-wide policies and procedures to properly track contractual commitments. Transportation will provide clarification pertaining to the calculation of contractual commitment calculations. Transportation will also review interfaces with other Information Technology systems to ensure they are performing appropriately. We will also conduct training in this area.

Responsible Position: Chief Financial Officer

Estimated Completion Date: May 31, 2003

02-05 Improve Timeliness of Financial Reporting

Applicable to: Virginia College Savings Plan

Management and the Board need to recognize the necessity of having timely financial statements and related fiscal information, when considering the pricing of contracts. A key component of both the financial statements and the pricing is the actuarial valuation. The actuarial valuation is a key factor in measuring historical performance and determining the Plan's future needs to fund contracts.

In addition to management and the Board's need for timely financial statements, the Plan is a critical component of the Commonwealth of Virginia's Comprehensive Annual Financial Report (CAFR). The proper and timely preparation and inclusion of all critical components of the Commonwealth in the CAFR is essential in the Commonwealth maintaining its Triple A bond rating. An opinion qualification resulting from the exclusion of a critical component such as the Plan could jeopardize the bond rating.

It has historically taken the Plan's Director of Finance between four to five months to complete the statements, although the Plan must submit financial statements including footnotes to the Department of Accounts within 60 days of fiscal year-end. One of the limitations in the current financial reporting process is the receipt of the actuarial valuation which, according to the current contract, the actuary must complete by September 1.

The actuary did not provide the final valuation until January 2003. The actuary did provide preliminary valuation amounts to the Plan on October 29 and a draft of the valuation report on November 15, which was earlier than previous years. The Plan worked more closely with the actuaries during the past year to provide the actuary with information needed to perform the valuation. However, the Plan needs to continue to work with the actuary, as well as other external parties involved in the valuation process, to ensure completion of the final valuation report by the contractual deadline.

The second limitation to the timely preparation of financial statements is the commitment of sufficient resources to complete the financial statements. Currently, the Director of Finance prepares the financial statements and attempts to perform all her other duties. As a result, the Director of Finance did not complete the statements until November, which was three months after the Department of Accounts deadline.

The Plan provided the Department of Accounts preliminary financial statements only within the 60 days allowed, however, these statements did not include footnotes and required several material adjustments to properly show the Plan's financial condition. Further, the Plan could not provide support for the amounts on these statements at the time of submission. For fiscal year 2003, the Plan has hired additional staff that will be available at year-end to assist in the accumulation of data and preparation of financial statements.

The final limitation in the financial reporting process is the Plan's use of the Commonwealth's statewide accounting system. In order to facilitate timely reporting, the Plan is implementing its own accounting system, rather than relying on the statewide accounting system, which will better accommodate the nature of the Plan's complex transactions. In addition, this new system will eliminate double keying of accounting data, providing additional staff hours to assist in the preparation of financial statements. By completing implementation within the next year, the Plan will eliminate inefficiencies in its current operations and gain more flexibility for obtaining relevant and timely financial data.

Management Plan for Corrective Action:

Staff of the Plan makes every effort to submit financial information, including the financial statements and attachments, by DOA's imposed due dates. First draft statements and adjusting entries were submitted to DOA on a timely basis this year. However, in both cases, critical pieces of information (information that actually needed to be disclosed in the CAFR) were unavailable at the time of the submissions; and therefore, the submissions could not be final and complete.

Staff worked closely with the actuaries this year to provide all the information they needed on as timely a basis as possible. Original information was submitted to the actuaries from the records system by the Plan imposed due date. Additional information requests, where the information was under the Plan's control, were responded to immediately. However, information critical to completion of the valuation (and pricing) was outside of this agency's control. Staff worked very closely with the State Council of Higher Education for Virginia to get tuitions and other critical information to the actuary as soon as it was available. This resulted in the preliminary valuation results being provided earlier than in prior years. (We received the valuation results on December 1 in 2001.) These results created new and critical issues to be addressed that further impacted final completion of the financials and associated disclosures.

This agency, while continuing to grow, cannot afford at this time to hire staff that is 100 percent dedicated to the preparation and subsequent review of the financial statements and all other requirements imposed by DOA and other central agencies. Staff makes every effort to prioritize the work and meet every deadline. However, this is sometimes an impossible task. For FY 2003, we have added additional staff that will be responsible for on-going reconciliations and will be available at year-end to assist in the accumulation of data and preparation of financial statements.

In addition, we are moving forward with a project to use the finance module available in the Banner software as our accounting system of record rather than relying on CARS. As agency activity has become more complex, we have not been able to adequately record our activity in CARS. This requires untold hours of review and reconciliation to ensure that the CARS data is appropriately adjusted for inclusion in the financial statements.

It should be noted that the DOA imposed due date for draft financial statements is prior to the August month-end CARS closing and the distribution of monthly CARS reports. Agencies accumulate accounts payable in CARS throughout July and August and receive monthly reports with the accumulated accounts payable data. This agency is required to manually accumulate any August accounts payable in order to accurately record the liability on the draft statements due to DOA near the end of August. This is just one example of additional effort required by this agency for something that should be very straightforward.

Finally, it should be noted that in May 2002, all Virginia Prepaid Education Program and Virginia Education Savings Trust assets were successfully segregated. For 2003 going forward, accumulating information about the assets will be much more efficient and should have a positive impact on statement preparation.

Responsible Position: Director of Finance

Estimated Completion Date: October 31, 2003

DATA PROCESSING CONTROLS

Program Change Controls

02-06 Strengthen Controls over Program Changes

Applicable to: Department of Motor Vehicles

Motor Vehicles does not have adequate controls in place for program changes to UNIX-based automated systems. Programmers have the capability to make changes to programs, and to release these changes into production after final approval. Programmers should not have the capability to move program changes into production. Further, a log documenting who moved the program change into production does not exist. Such a log would provide accountability for all program changes made and identify individuals inappropriately making these changes.

Motor Vehicles should strengthen their controls over program changes by not allowing programmers to put changes into production and by establishing a log to account for all individuals moving changes into production.

Management Plan for Corrective Action:

Information Technology Services (ITS) will modify the automated program migration process in UNIX and establish procedures to ensure that CSCNet programs are approved for migration into production by someone other than the CSCNet programmers.

*Responsible Position: ITS Data Security Group
UNIX Support Staff
CSCNet Development Group*

Estimated Completion Date: May 31, 2003

02-07 Strengthen Controls Over Program Change Procedures

Applicable to: Department of Taxation

Taxation uses three applications and one form to manage the program change control process, however, there is insufficient information to compare information between the applications and forms to adequately document the change request's progression through the workflow. By not capturing this data, Taxation does not have the assurance a program change has gone through all the processes to completion.

Further, for some applications, Taxation has not provided proper segregation of duties between staff modifying program code and moving program changes into production. This practice increases Taxation's risk of fraud by allowing the same individual to write and load potentially harmful production code.

Implementing new technologies has strained Taxation's staff resources as they attempt to maintain their legacy systems and this partially contributes to the issues noted above. However, Taxation is developing enhancements to the program change applications that will allow them to

better capture and communicate program change activity. Taxation expects to implement these changes by March 2003.

Taxation should continue their enhancement of the program change applications to include the necessary information to track change requests as they move through the established program change workflow and ensure that they capture the approval of each phase. In addition, Taxation should expedite efforts to separate responsibilities for developing code and placing it into production to ensure proper segregation of duties throughout the program change process.

Management Plan for Corrective Action:

Taxation established a Change Control Committee in March 2002 that reviews and approves all proposed changes to the production environment. Nothing is moved to the production environment without the approval of this group. A Configuration Management Specialist was hired in 2002 and, in part, is responsible for chairing the Change Control Committee. As the Auditor of Public Accounts (APA) noted, Taxation is currently developing a Lotus Notes application that will ensure that all appropriate documentation is available.

Taxation has identified a limited number of senior analysts who have been granted the authority to move software changes into production for Partnership Project systems. In each case, this person is the senior technical person who was responsible for designing/developing the new system, and consequently is the most knowledgeable resource Taxation has on that software. These developers have authority to move a software change to production only after it has been reviewed/approved by the Change Control Committee.

Program Change Tracking Action: *A Lotus Notes database and application is being developed. This new database and application will allow all information and workflow for program changes to be tracked and approved accurately and completely.*

Responsible Position: Linda Foster, Assistant Commissioner for Customer Support

Estimated Completion Date: March 2003

Separation of Responsibilities Action: *Taxation will continue to utilize the Change Control Committee to evaluate and approve the appropriateness of production environment changes. As in the current environment, only the Change Control Committee is authorized to approve changes in the production environment, including software changes.*

Taxation will continue its efforts to prevent staff from modifying code and staff moving program changes into production in the long term, however, Taxation's limited production staffing coupled with the training necessary to compile and move new programming code into production prevents Taxation from doing so in the short term. Taxation's current staff is experienced in mainframe related code migration and not experienced migrating the new client server programming languages being implemented by the Partnership. Once the staffing levels are increased to handle the volume of code migrations as well as trained on how to migrate this code, Taxation will be able to separate duties properly and prevent development staff from modifying production programs. Until that time and because it is in developers' best interest to ensure the production programs are working correctly, lead developers will be required to migrate and modify code in production after approved by the Change Control Committee. As it

has done in the past, Internal Audit will monitor and review modifications and documentation requirements concerning program migration to production during the course of its examinations.

Responsible Position: Craig Drain, Tax Information Security Officer

Estimated Completion Date: March 2004

Information Security Programs

02-08 Strengthen Operating System Security Policies

Applicable to: Department of Health

The Office of Information Management needs to enhance policies and procedures for UNIX and make contractors aware of the policy for implementing and maintaining proper controls for the UNIX servers. The lack of these policies could lead to inappropriate access to critical data and programs. Once accessed, an individual could either accidentally or maliciously alter and seriously compromise operations.

We recommend the Office of Information Management significantly enhance the current policies and procedures for UNIX, and follow these procedures for maintaining security of the UNIX system. This policy should include a periodic review to ensure that all critical files have appropriate access permissions and all staff cannot access these files. Strengthening file access policies will improve security over important operating system and data files. Policies also provide continuity of secure operations as personnel change over time.

In response to our recommendation, the Office of Information Management updated their policies and procedures for UNIX security in October 2002.

Management Plan for Corrective Action:

We developed and implemented policies and procedures regarding security of the UNIX system subsequent to the recommendation of the APA. The APA was supplied copies of the procedures and policies prior to the completion of their work.

Responsible Position: James Burns, MD, Acting Chief Information Officer

Estimated Completion Date: November 18, 2002

02-09 Develop Policies and Procedures for Maintaining Proper Controls on Servers

Applicable to: Department of Motor Vehicles

Motor Vehicle does not have complete written policies and procedures for maintaining security controls on UNIX production servers. Policies and procedures should identify critical controls and restrictions over the system. Failure to implement proper policies and procedures could lead to improper controls placed on the system, and allow for unauthorized access, placing the integrity and completeness of the data stored on the system at risk.

Information Technology Services does not review security audit log reports on Unix critical servers. Motor Vehicles' Security Standards and Guidelines require a daily review of audit logs for servers and hosts on the internal, protected network. Without this review, unauthorized access to the system data and programs may occur and go undetected.

Motor Vehicles should also review the security log for attempted unauthorized access to critical servers. This preventive control would identify potential problems rather than reacting to a problem after it has already taken place.

Management Plan for Corrective Action:

Written policies and procedures: *As part of ongoing revisions to the IT Security Standards and Guidelines, the IT Security Director will work with Data Security and UNIX Support staff to establish written policies and procedures for maintaining security controls on the UNIX production servers.*

*Responsible Position: ITS Data Security Group
UNIX Support Staff*

Estimated Completion Date: June 30, 2003

Review security log reports: *The ITS Data Security Group will work with the UNIX Support staff to establish methods and procedures for the periodic review of UNIX security reports.*

*Responsible Position: ITS Data Security Group
UNIX Support Staff*

Estimated Completion Date: April 30, 2003

02-10 Comply with the Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Standard 2000-01.1

Applicable to: Department of Social Services

The Department has not updated its Business Impact Analysis and Risk Assessment since May 1999 and September 1999, respectively. The lack of an updated Business Impact Analysis and Risk Assessment prohibits the Department from identifying new and unknown vulnerabilities that may affect critical and sensitive information systems.

Additionally, the Department's Business Continuity Policy does not assign accountability for each division, regional, and district office for updating, testing, and submitting plans to Central Office.

The Department should update its Business Impact Analysis and Risk Assessment in accordance with COV ITRM Standard 2000-01.1 to ensure that the plan considers new threats and vulnerabilities and identifies ways to mitigate potential risks. In addition, the Department should update policies to assign responsibility to a division within Central Office to ensure that someone is updating and testing the plans on an annual basis by all division, regional, and district offices.

Management Plan for Corrective Action:

The Department is in the process of updating the Business Impact Analysis and Risk Assessment and expects to have these documents completed by March 31, 2003. In addition, the Department's primary business applications are tested annually at the SunGard Disaster Recovery Site. The test for 2003 will include a sample of local, regional and district offices.

Responsible Position: Harry R. Sutton, Director, Division of Information Systems

Estimated Completion Date: March 31, 2003

02-11 Approve and Implement Formalized Information Security Policy

Applicable to: Department of Taxation

Taxation developed their Information Security Policy in Fall 2000, which specifies how to establish and monitor logical and physical security. Although the Information Security Policy meets the COV ITRM Standard SEC 2001-01.1 and reflects many of the practices in place within the organization today, Taxation has not formally accepted, approved, or implemented the proposed policy.

Within the last several years Taxation has implemented several critical and non-critical applications and plans to implement additional critical applications within the next year. By not formally adopting and implementing their Information Security Policy, there is no standard for securing their operating environment either physically or logically. Thus as turnover occurs, staffing resources decrease, and new systems are implemented, the risk of unauthorized access to and misuse of sensitive data and applications increases.

Taxation should formally approve and implement their Information Security Policy. Once implemented, Taxation should review all existing systems to ensure they are in compliance with the policy. Taxation should also specifically identify the department(s) responsible for enforcing the Information Security Policy, addressing both logical and physical access.

Management Plan for Corrective Action:

Until the Security Policy has been made final and approved, Taxation will continue to use the draft Security Policy as the standard for securing its operating environment. In addition, the draft Security Policy will continue to guide the design and development of all new systems, continuing to ensure that the appropriate level of security is included in each release.

By June 2003, Taxation's Technology Support activity within the Office of Technology will present a revised action plan to the agency's Leadership Team that identifies all of the draft security policies, prioritizes which policies should be implemented first, identifies any cost implications that are known, and recommends proposed time frames for implementing the policies in phases. By December 2003, Technology Support will seek agency approval of an action plan for implementing the Security Policies. By July 2004, Technology Support will review all existing systems to ensure they are in compliance with the policies and any that are not will be presented to the Leadership Team for discussion. By December 2004, Technology Support will seek agency approval on the Security Policy. This action plan is contingent on the

workload on the Agency with regard to the Partnership Project implementation schedule and is subject to change.

The Department's responsibility for enforcing security is currently shared between the Office of Technology for IT security and the Office of Policy and Administration for physical security. Taxation has no plan to change this.

Responsible Position: Craig Drain, Tax Information Security Officer

Estimated Completion Date: December 2004

02-12 Continue Security Initiative Over Critical Information Systems and Network

Applicable to: University of Virginia - Medical Center

The Health Systems Computing Services (HSCS) continues its initiative to enhance security over the Health System's network of information systems. As custodian over data resources that are vital to the Health System's operations, HSCS must implement and maintain strong security controls that adequately safeguard the Health System's information resources and, as importantly, protect the privacy of its patients. The Federal Health Insurance Portability and Accountability Act's Privacy Rule, effective April 2003, heightens awareness of the need for strong information security policies and procedures along with accountability of staff accessing patient information.

To increase security within the entire information systems environment, management developed a comprehensive security strategy. Initially management, with the aid of a security consultant, conducted a risk analysis and vulnerability assessment. The security consultant completed their assessment and made recommendations in May 2000.

The assessment addressed several vulnerabilities in the Health System's network security system. After correcting the most vulnerable network concerns, management began developing a comprehensive, ongoing information security program. The program encompasses the review and development of information security policies, development and administration of a new "more secure" network, and monitoring the access of sensitive data.

The new "more secure" network has been installed. The network includes improved physical security, enhanced authentication procedures, encryption of data communications for users outside the network, and stronger prevention of unauthorized network access from outside the Health System's network.

Health Systems Computing Services has begun moving its more than 5,000 network users to the new secure clinical subnet. They will initially migrate the Medical Center, consisting of University Hospital, Primary Care Clinics, and West Hospital, by April 2003. Afterwards, remote centers such as Northridge, Orange, etc. will be migrated by the end of the calendar year.

Further, Health System management is conducting an ongoing review of policies in cooperation with the University's Department of Information Technology and Communication and under the direction of its Director of Information Services and Security. Also, the Health System's Corporate Compliance Office has begun a program monitoring staff access of patient data.

Management should continue with the development and implementation of the comprehensive, on-going information security program.

Management Plan for Corrective Action:

I concur with the above finding. The Medical Center, consisting of University Hospital, Primary Care Clinics, and West Hospital, will be migrated to the secure clinical subnet by April 2003. Remote centers such as Northridge, Orange, etc. will be migrated as funding allows, by the end of the calendar year.

Responsible Position: Barbara Baldwin, Chief Information Officer

Estimated Completion Date: April 2003

Information System Policies and Procedures

02-13 Assess Needs and Develop Policy and Procedures over the Fuels Tax Program

Applicable to: Department of Motor Vehicles

Effective January 1, 2001, the Virginia Fuels Tax Act imposed new regulations concerning the timing of fuels tax collections within the Commonwealth. The Act changes the tax payment due date based on fuel issued at the terminal rack ("Tax at the Rack"), rather than at the distributor level.

With the change to "Tax at the Rack," Motor Vehicles implemented a new automated system, the Motor Fuels Tracking System (MFTS), to track the collection and reporting of motor fuels tax. We reviewed MFTS's processes and the critical automated and manual internal control components over this system. Our review identified several important issues noted below that could adversely affect the tax collection and reporting processes. Fuels tax collections for fiscal year 2002 totaled approximately \$804 million, and many internal and external clients rely on accurate statistical reporting of these taxes to make important decisions. Some of the issues exist because Motor Vehicles did not have adequate lead time to review their business processes and assess their needs prior to "Tax at the Rack's" approval.

- A formal implementation plan did not exist to assess all information technology needs from the new system regarding fuels tax reporting. For example, the new system does not provide automated reports containing information required for submission to the Department of Transportation and other external entities. Motor Vehicles has recently requested system modifications to provide this information.
- Motor Vehicles does not have formal policies and procedures addressing the duties and responsibilities of employees within the Fuels Tax Division. Policies and procedures would provide essential information for user reference, efficiency of operations, and general knowledge over the new system.

- Motor Vehicles does not have policies and procedures for the periodic review of user access to its critical information systems. Per review of the MFTS user access, 2 of 10 employees tested had inappropriate access to the Fuels System. Proper monitoring of access to critical systems and training on user responsibilities is an essential part of internal controls. Outdated access records increase the risk of unauthorized access of agency records and transactions.
- The Fuels Tax Division has not entered all essential data received from taxpayers onto the MFTS. Essential data includes purchases and sales of fuel types by licensed suppliers and distributors. Without this data, the system cannot execute functions nor produce accurate reports to ensure collection of all tax revenue due.
- Lack of the essential data mentioned above has caused the Tax Division to develop an extensive manual process to obtain important tax information. These manual processes cause inefficient use of time and increase the possibility of errors in reporting. Manual processes include identifying non-filers of tax reports, preparing bills for outstanding payments due, issuing refunds for overpayments, and providing statistical data for reports and letters forwarded to internal and external customers. System capabilities include each of these processes.

The system must include complete and accurate data to effectively use all system features. The Tax Division has made some progress toward entering the essential data into the system. Currently, taxpayers submit their informational reports on paper copies. Requiring the taxpayers to enter data through electronic means would eliminate the Division's cumbersome task of reprocessing this data. System features would still exist for the Division to verify accurate input by taxpayers.

Motor Vehicles should continue to assess its needs regarding administration of the fuels tax program. Assessments should include both automated and manual processes, and should result in policies and procedures that the user can use as reference on how to properly use the system. These policies and procedures would provide a base for establishing strong internal controls over processing fuels tax data on the new system.

Management Plan for Corrective Action:

Automated system does not provide automated reports: Requests have been submitted for software modifications. These requests are awaiting the Commissioner's approval and appropriate funding. In the interim, a new manual process is being developed that will drastically reduce the amount of time it will take to key the information into an Excel spreadsheet. This manual process will be used until the system is modified.

Responsible Position: Director of Tax Services

Estimated Completion Date: March 30, 2003

Formal policies and procedures: The Fuels Tax division began writing policies and procedures in December 2002. This is part of the overall plan to help correct report processing problems currently experienced by the Fuels Tax division.

*Responsible Position: Director of Tax Services
Tax Services Project Manager*

Estimated Completion Date: June 30, 2003

Periodic review of user access: The Fuels Tax division will review access to the system on a quarterly basis. The two individuals cited in the audit report have been removed. The next access review is scheduled for March 3, 2003.

Responsible Position: Director of Tax Services

Estimated Completion Date: November 25, 2002 (individuals cited in audit removed)

All essential data received from taxpayers has not been entered into the Motor Fuels Tracking System (MFTS): A plan has been developed to evaluate the use of the information produced by the MFTS. This included processes to identify and remove refunds and to the identify underpayments for collection procedures.

Responsible Position: Fuels Tax Manager

Estimated Completion Date: December 16, 2002

Extensive manual processes used to obtain important tax information: Procedures have been established to track and follow up on the receipt of monthly reports to eliminate manual processes. These include identifying and pursuing non-filers, identifying and removing refunds from the automated system, and the collection of underpayments.

Responsible Position: Fuels Tax Manager

Estimated Completion Date: November 22, 2002

Requiring the taxpayers to report data through electronic means: The Department of Motor Vehicles will require all licensed suppliers, terminal operators and importers to electronically file reports and schedules beginning with the July 2003 report (due to DMV in September 2003). Effective July 2005, all other license types will be required to submit reports electronically. DMV is presently able to receive electronic filings and is promoting electronic filing as an option at this time.

Responsible Position: Director of Tax Services

Estimated Completion Date: September 2003

INTERNAL SERVICE OPERATIONS

02-14 Develop Better Controls For Ensuring Tapes are Available for Disaster Recovery Testing

Applicable to: Department of Information Technology – Service Bureau (DIT)

Problems are occurring during the Disaster Recovery test because some critical tapes are not sent to the hot-site facility for testing. DIT staff did not physically create one agency's tapes and therefore did not send the tapes to the offsite tape storage facility as required and then were not available for the disaster recovery test. In the prior year, tapes were placed in the wrong vault at the off site tape storage facility and therefore, they did not get to the hot-site. Failure to adequately create and store tapes prevents testing of DIT's recovery plan so that there is no assurance that after a disaster a recovery could occur.

We recommend that DIT review customer requirements for handling tapes that are needed at the hot site. DIT should determine if tapes such as customer year-to-date and history information should go to the hot-site for disaster recovery testing. We also recommend that DIT staff have a checklist for each agency of what needs to occur to make sure the tapes are available for testing.

Management Plan for Corrective Action:

Customer's tape requirements have been defined for hot-site disaster recovery testing. Job Control Language (JCL) that creates tapes has been tested to assure tape availability.

Responsible Position: Enterprise Solution Division Branch Manager

Estimated Completion Date: Completed

02-15 Improve Disaster Recovery Testing Procedures for DB2 Files

Applicable to: Department of Information Technology – Service Bureau

During recovery testing of DB2 files on the MVS mainframe, the staff encountered unknown errors in recreating the files. In the event of a disaster, having the ability to recover and use agency critical files is essential, and therefore DIT needs to resolve this problem.

Agencies that rely on this shared database platform are: Department of Social Services, Virginia Employment Commission, Virginia Department of Transportation, Department of Corrections and State Compensation Board.

We recommend that DIT consult with their peers or the IBM vendor to try and resolve problems with DB2 recovery procedures. DIT should conduct further testing until it resolves the problem. Furthermore, DIT should request the SYSLOG report from the SunGuard Hot Site Facility as part of the Disaster Recovery planning process. Staff can use the SYSLOG to detect and resolve existing problems at the present time or to promote better testing in the future.

Management Plan for Corrective Action:

Software and procedures will be reviewed to determine the cause of the recovery failure. DIT, the Department of Social Services (DSS), and IBM will work jointly to resolve problems and test the recovery process. Tests of the recovery process will be conducted using a small test database and the DSS test database that closely mirrors the DSS production database. Tests will continue until the recovery process is successful.

Procedures have been established to ensure that the SYSLOG is copied to tape for return to DIT at the end of the disaster recovery test.

*Responsible Position: Danny Wilmoth, Manager MVS Database
David Kiser, Branch Manager MVS
Charles Hague, Director Systems Software Division*

Estimated Completion Dates:

April 30, 2002 – Meet with IBM to discuss problems and strategies.

May 31, 2002 – Test recovery process using small test database.

July 31, 2002 – First test recovery using DSS test database.

September 30, 2002 – Second test recovery using DSS test database.

02-16 Implement Physical Security Controls over the Server Farm for Individual Agency Use

Applicable to: Department of Information Technology – Service Bureau

The server farm has been built without establishing a foundation of policies and procedures, equipment, and software required to securely host the equipment. There are no standards, either in DIT's policies and procedures or in the Memorandums of Agreement (MOA) that establish relative responsibilities for physical security.

In our review of the server farm, we noted deficiencies in the physical security of the equipment located there. DIT does not have software to allow secure remote administration of servers thus someone must personally make all changes. Once a customer agency technician has legitimately gained access to the server farm, there are no controls that limit physical access to servers owned by other agencies. Additionally, all of the power and data connections are fully exposed, rendering them vulnerable to accidental or deliberate disconnection. Finally, there are no preventative controls that restrict a person's ability to enter for work at the server farm and then to pass throughout the entire Data Center.

Management Plan for Corrective Action:

DIT Management agrees with the APA finding, "Implement Physical Security Controls Over The Server Farm for Individual Agency Use." A formal project has been opened, and a project team identified to implement corrective actions.

- *Procure and implement software products that allow support personnel (DIT and Customer) to remotely handle all but a few exception support functions on the DIT Data Center servers (DIT and Customer).*

- *Procure and install lockable open system server cabinets, each with an integrated KVM switch, monitor, keyboard and mouse, capable of accessing all servers in the same cabinet.*
- *Relocate all existing production open system servers from existing open system racks to the new lockable server cabinets, maintaining as much as is possible, all servers from one specific agency, in the same cabinet(s).*
- *Relocate test platforms and lab platforms into the new ADT space, with its own physical security, separate from the computer room, using the current open system server racking to accommodate this.*
- *Install customer agency workstations on racks in the new ADT space for customers who have to come over to DIT to do certain functions on their servers that cannot be done remotely from their location.*
- *Implement a key control system for the server cabinet locks, along with a customer escort procedure that ensures customers are only granted escorted access on those rare occasions when they have to physically work on their servers and equipment.*
- *Formally document procedures for all of these new/changed functions.*

*Responsible Position: Michael L. King – Computer Operations Division Director
Bill B. Mize – COD Project Manager.*

Estimated Completion Date: Project Plan is being fleshed out with target completion for all above deliverables on February 28, 2003.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF AGRICULTURE

Other Internal Control Matters

02-17 Follow Electronic Benefit Transfers (EBT) Policies and Procedures and Provide Separation of Duties for EBT Users

Food Stamp
Cluster

Applicable to: Department of Social Services

Control Finding: The Department does not have adequate separation of duty controls for establishing and maintaining the new Electronic Benefits Transfer (EBT) cards. The same individual that has physical access to the vault cards can issue a Personal Identification Number (PIN), create a card account, and make changes to the accounts. Furthermore, there is no review process currently in place for monitoring and determining if there have been any improper or inappropriate transactions.

The Department has policies and procedures in place that specifically focus on the importance of separation of job functions. However, in some cases there is no separation of duties at the smaller local agencies, and we also found similar situations in the larger agencies throughout the state. This could lead to fraudulent use of the EBT cards, and risks of allowing authorized users to make unauthorized worker transactions, which could lead to questioning the integrity of the Food Stamp program.

Recommendation: The Department should re-evaluate the internal controls established for issuing and maintaining the EBT cards. We recommend that the Department evaluate the number of backups needed, and the level of access needed to complete specific tasks. As of September 2002, the Department made some progress in this area by reducing the number of individuals with dual access and by initiating the development of program monitoring procedures. We recommend that the Department establish a method for monitoring user transactions as soon as possible.

Management Plan for Corrective Action: *The EBT system was implemented statewide in July 2002 and, in September 2002, the Department reviewed access capabilities for all local personnel and adjusted all non-complying situations. In February 2003, the Department began negotiations with Citicorp, the EBT vendor, for generation of a report which would identify workers who issued both an EBT card and a PIN. Assuming successful negotiations with the vendor, the Department will begin reviewing and acting on the contents of these reports by December 31, 2003.*

Until the negotiations with Citicorp are complete and the above process can be implemented, the EBT staff will monitor separation of duties as follows:

- *a separation of duties audit will be performed in March 2003; and*
- *a process for comparing vault card transactions to manual logs will begin in July 2003.*

Responsible Position: Jean Sheil, Deputy Commissioner, Program Operations

Estimated Completion Date: July 2003

U.S. DEPARTMENT OF LABOR

Reporting

02-18 Accurately Complete Financial Status Reports

WIA Cluster Applicable to: Virginia Employment Commission

Control and Compliance Finding: Under the Workforce Investment Act, the Employment Commission must report financial, participant, and performance data in accordance with instructions issued by the United States Department of Labor (DOL). For activity related to program year 2001, the Virginia Employment Commission did not complete a June 30, 2002 quarterly Financial Status Report 9076-A "Workforce Investment Statewide Activities" in accordance with DOL guidelines. The Employment Commission inadvertently used the preliminary "Status of Obligational Authority" reports to compute total federal outlays on the report submitted to DOL instead of the final reports. This resulted in an overstatement of expenses of \$977,357. The reporting process requires the preparation of each quarter's reports without reliance on a prior quarter's report. The report for quarter ending September 30, 2002 was prepared accurately.

Requirement: According to the Department of Labor's Workforce Investment Act (WIA) Statewide Activities Financial Status Report Instructions, total federal outlays are the sum of actual cash disbursements for direct charges for goods and services.

Recommendation: The Employment Commission does perform a supervisory review of these quarterly reports; however, this overstatement was not detected. During this review, the supervisor should ensure that the individuals preparing the report always use the final financial system. Overstating expenses results in the Employment Commission reporting inaccurate information on Workforce Investment activity to DOL.

Management Plan for Corrective Action: *The problem was corrected in September 2002 quarterly reports.*

Responsible Position: Wanda Smart, Assistant Director, Budgets and Grants Management

Estimated Completion Date: September 2002

U.S. DEPARTMENT OF TRANSPORTATION**Subrecipient Monitoring****02-19 Perform Subrecipient Monitoring of Localities**Highway
Planning and
Construction
ClusterApplicable to: Department of Transportation

Control and Compliance Finding: Transportation does not properly monitor Federal funds passed through to localities. Transportation has not designated an employee or division as responsible for ensuring Transportation is in compliance with OMB Circular A-133 provisions for subrecipient monitoring of localities. In addition, Transportation has not established procedures to determine which subrecipients must receive an audit, whether these applicable subrecipients have been audited, or what findings in their audit reports require follow up or adjustment to Transportation's records.

As a pass-through entity, Transportation must be familiar with OMB Circular A-133. Transportation must understand the roles and responsibilities of a pass-through entity as well as those of a subrecipient. They must know how to structure award agreements in accordance with OMB Circular A-133. They must also know the most effective methods for monitoring subrecipients. The Transportation and Mobility Planning Division ensures that Transportation is in compliance with OMB Circular A-133 with regards to subrecipient monitoring of Metropolitan Planning Organizations and Planning District Commissions; however, Transportation has not developed similar procedures for the localities receiving pass-through funds.

Requirement: OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," Subpart D, Section .400 (d) requires that a pass-through entity shall perform the following for Federal awards it makes:

- Ensure that subrecipients expending over \$300,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
- Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
- Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.

Recommendation: Transportation should develop appropriate procedures and designate an employee or division as responsible for

ensuring that Transportation is in compliance with OMB Circular A-133 with regards to subrecipient monitoring of localities. Without assigned responsibilities and proper procedures, federal funds passed-through to subrecipients are susceptible to abuse.

Management Plan for Corrective Action: Transportation will develop procedures to ensure it is in compliance with OMB Circular A-133 with regards to subrecipient monitoring of localities. We will identify central responsibility for local reports and review.

Responsible Position: Chief Financial Officer

Estimated Completion Date: April 30, 2003

FEDERAL EMERGENCY MANAGEMENT AGENCY

Subrecipient Monitoring

02-20 Improve Subrecipient Monitoring

83.548

Applicable to: Department of Emergency Management

Control and Compliance Finding: To aid in hazard mitigation projects, the Department passes through to subrecipients the majority of the funding it receives under the Hazard Mitigation Grant Program. The Department did not perform site visits and final project inspections before closing out Hazard Mitigation Grant Program projects. The Department did not perform these reviews due to time constraints placed on them by the Federal Emergency Management Agency and due to insufficient resources.

Requirement: Circular A-133 requires that the Department, as a pass-through agency, monitor the subrecipients' activities as necessary to ensure that the federal awards were used for authorized purposes. As part of monitoring subrecipient activities, the Department should perform site visits and final project inspections before closing out a Hazard Mitigation Grant Program project.

Recommendation: We recommend that the Department develop and implement procedures to conduct site visits and final project inspections in order to ensure that the subrecipient completed the approved scope of work.

Management Plan for Corrective Action: *The Department has implemented procedures to conduct site visits and final project inspections prior to final project closeout. Each property involved within a project is visited and inspected, and photographs are taken and placed in the project files.*

Responsible Position: Richard Dameron, State Hazard Mitigation Officer

Estimated Completion Date: Completed

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**Allowable Costs/Cost Principles****02-21 Develop a Formal Effort Reporting Policy**R&D
ClusterApplicable to: Virginia Polytechnic Institute and State University

Control and Compliance Finding: The University does not have an official effort reporting policy. Although the University has issued memorandums and instructions for effort reporting, the lack of an official policy has contributed to a continual problem of departments submitting completed effort reports late. We found effort reports submitted up to six months past the due date. The University eventually obtains the effort reports, but expends a significant amount of personnel resources to track down and obtain the missing efforts reports. We are concerned that there are no consequences imposed on departments or individuals who do not submit the effort reports by the due date.

Requirement: OMB Circular A-21, Cost Principles for Educational Institutions, requires universities to have a system to monitor the allocation of personal service costs that include an effort report from staff to adjust any estimated cost allocations. Failure to obtain effort reports could lead to significant questioned costs that could result in the University refunding unsupported amounts to the federal government.

Recommendation: The University should develop a formal effort reporting policy that clearly addresses the importance of effort reporting, the responsibilities of the departments involved in the process, and appropriate consequences for not complying with the policy. As part of its initiative to ensure that departments comply with policies and procedures discussed above, the University should give priority to improving the effort reporting process. The University should provide training and distribute information that increase employees' awareness of the importance of completing and submitting effort reports promptly. The University should hold each department accountable for failure to adhere to the policy and develop appropriate consequences for noncompliance. Holding departments accountable will improve efficiency in the effort reporting process and hopefully free up resources to perform other tasks.

Management Plan for Corrective Action: In December 2002, a memo was sent out from the Vice President for Budget and Financial Planning to all University deans, directors, department heads, and vice presidents to emphasize the importance of timely submission of effort reports. A draft of a policy related to Effort Reporting has been developed by the Office of Sponsored Programs, and is currently under revision. In addition, a formal process is being developed to report uncertified effort reports; the department head will receive a detailed report, listing all personnel in their department with uncertified effort reports, and senior

management will receive a summary report listing the status of each department's effort reports. Management will meet with departmental personnel regarding the importance of completing the effort report; the first meeting is scheduled in late January 2003 with the department heads of the College of Engineering, which has the largest amount of research expenditures in the University. The University is also exploring electronic alternatives for delivering and certifying the effort reports to replace the current paper-based process. Investigations showed that purchasing a commercial software package would be cost-prohibitive, and therefore, development will depend on the University's technology and technical programming resources.

Responsible Position: University Controller and the Director of the Office of Sponsored Programs

Estimated Completion Date: January 31, 2003

Cash Management

02-22 Comply with the Cash Management Improvement Act Agreement

Medicaid
Cluster

Applicable to: Department of Medical Assistance Services (DMAS)

Control and Compliance Finding: The Department did not use the correct check clearance pattern as stated in the Cash Management Improvement Act (CMIA) agreement. For approximately ten months of the fiscal year, the Department used the incorrect clearance pattern to drawdown funds from the federal government, which could affect the Commonwealth's interest liability. The Department alone makes up approximately 70 percent of the Commonwealth interest liability to the federal government.

Requirement: According to section 6.2.2.4 of the CMIA agreement for fiscal year 2002, the State shall request funds such that they are deposited by ACH in a State account in accordance with the estimated clearance pattern specified in Exhibit II-A in section 6.2.1 of the CMIA.

Recommendation: We recommend the Department review and comply with the CMIA agreement to ensure the Commonwealth minimizes the interest liability to the federal government.

Management Plan for Corrective Action: Management agrees with the finding. Each year, new check clearance patterns are obtained from the Medicaid and FAMIS bank accounts. Per the Cash Management Act, DMAS draws federal funds to pay the weekly remit over an eleven-day period based on the previous year's check clearance pattern. No interest expense is incurred when using the estimated clearance pattern. The Commonwealth did not incur additional interest expense because of this error.

The error occurred because of personnel turnover. The DMAS Grant Supervisor did not realize that the check clearance pattern changed at the beginning of each fiscal year. The accounting transactions used to record the draw of federal money are reviewed by the Cash Manager daily. However the check clearance percentages from one year to the next are so similar the Cash Manager failed to realize that the 2000 rate was being applied.

To correct this problem in the future, the Controller has included a line item in the year-end time line to review the check clearance pattern with the Grant Supervisors in June of each year. The Cash Manager will also update the policies and procedures manual to ensure that this step is included in the Grant Supervisors' job description for year-end.

Responsible Position: De Earhart, Controller

Estimated Completion Date: Completed

Eligibility

02-23 Strengthen Management Oversight in the Office of Scholarships and Financial Aid

Financial
Aid Cluster

Applicable to: Virginia Polytechnic Institute and State University

Control and Compliance Finding: Management in the Office of Scholarships and Financial Aid does not provide adequate oversight of counselors and other administrative staff to ensure that the office complies with all federal and state regulations. During testwork of the Student Financial Aid Cluster, the University's internal auditor found pervasive control weaknesses in student financial aid processes that caused errors and non-compliance and resulted in overawards totaling \$32,647, of which \$11,590 were from state grants. These overawards were repaid to eliminate questioned costs. The University implemented a new financial aid system in the summer of 2000. However, management failed to design or apply effective system controls to detect and prevent errors and non-compliance. In addition, we found a lack of coordination between offices involved in the financial aid process. Details of our concerns follow:

Eligibility:

- There are no adequate system controls and coordination between offices to identify changes in cost of attendance and student eligibility. Exception testing found counselors awarded aid to seven students based on incorrect residency status, two graduate students based on undergraduate budgets and one ineligible Pell recipient. Overawards for these exceptions totaled \$3,558.

There is a lack of supervisory review and training for counselors who prepare manual adjustments to cost of attendance components. Files contained inadequate supporting documentation, manual adjustments did not agree to the supporting documentation in the file, and counselors made clerical errors in calculating adjustments resulting in four overawards: Two unsubsidized Direct Stafford loans for \$3,972 and two state grants for \$2,897.

Counselors erroneously computed the Direct Loan origination fee component of cost of attendance for numerous students resulting in one overaward of \$479. In addition, counselors failed to exclude summer school cost of attendance for sixteen students not officially enrolled in summer school. Three of these students received overawards totaling \$5,226.

Requirement: Students eligible to receive Title IV, HEA Program Assistance, must meet the eligibility requirements of 34 CFR 668.32. Further, schools may not originate a Direct Loan for an amount that exceeds the student's estimated cost of attendance less the student's estimated financial assistance and, in the case of Direct Subsidized Loans, the borrower's expected family contribution for that period (34 CFR 685.301).

- The processes and procedures for recognizing student financial resources from departmental and outside sources in determining need are inadequate. Resource recognition between student accounts receivable and the financial aid system is not an automated process. Internal Audit found that the "resource report" used by counselors to determine need contained untimely recognition of resources and did not match account data in several instances. It is essential that the resources recognized for financial aid purposes match resource data known by the University at large.

Requirement: Part F, Section 471 (3), of Title IV of the Higher Education Act states that when determining need, the estimated financial assistance not received under this title must be subtracted from the cost of attendance and expected family contributions.

Special Tests and Provisions:

- The Office does not have an adequate process to identify students who unofficially withdraw from classes. Federal regulations require institutions to develop a mechanism to identify students who constructively withdraw and return Title IV funds, if applicable. Although 218 students received all failing grades for a semester, the Office does not have a system report to identify these students for follow-up. Receiving all failing grades is a key

indicator that the student may have ceased attending classes or withdrawn without officially notifying the University.

Requirement: 34 CFR 668.22 (c) requires that schools have a mechanism in place to identify students who have withdrawn or ceased attendance, in order to promptly and properly calculate any Return of Title IV funds. Part 668.22 (j) requires that schools return unearned Title IV funds as soon as possible to the Department of Education, but no later than 30 days after the date the school determined the student withdrew.

Matching, Level of Effort, Earmarking:

- The Office failed to communicate a change in the matching policy for the Federal Supplemental Education Opportunity Grant program to the University bursar. As a result, the University deposited the required matching funds three months late.

Requirement: Volume 7 of the Student Financial Aid Handbook requires that by the time the Federal Supplemental Educational Opportunity Grants are disbursed, the required match must have been accomplished. That is, the school's own resources must have been disbursed before or at the time the federal dollars are disbursed.

Other Internal Control Matters:

- The Office does not have sufficient detailed procedures for counselors to use in reviewing the overaward report. There is also a lack of supervisory monitoring of counselors' actions in determining if an overaward occurred. The overaward report is an internally-developed tool used by counselors to identify potential overawards for follow-up. The overaward report includes the \$300 overaward tolerance allowed by the federal government. However, certain counselors did not realize that the report included this tolerance and added it back, in determining if an overaward occurred. After reviewing reported overawards, counselors used a system table to exclude certain students from appearing on future reports. However, the resources or cost of attendance subsequently changed for several of these previously reviewed students resulting in undetected overawards. Internal Audit identified six overawards in federal programs totaling \$7,822 and 12 overawards of state grants totaling \$8,693. In addition, Internal Audit reviewed Fall 2002 awards and identified 35 undetected potential overawards excluded from the report. The University had not disbursed aid to these 35 students and subsequently corrected the potential overawards.
- Our prior report addressed our concern that the Office failed to award \$235,776 in authorized Perkins funds in fiscal year 2001 and recommended that the Office offer awards to additional types of eligible students. The failure to award the entire Perkins allocation not only impacts assistance to students during the year,

but also may reduce the federal contribution in future years. In fiscal year 2002, the Office failed to revise its awarding philosophy and did not award approximately \$300,000 in authorized Perkins funds.

- The Office has 58 workstations using Windows 95 and 98 operating systems, which are subject to security violations. There are also weaknesses in the security settings for systems rights and access on the Windows NT server. It is essential that the Office maintain appropriate security settings to protect its confidential and critical information from unauthorized access.

Recommendation: Management in the Office of Scholarships and Financial Aid should re-examine the oversight that it provides to counselors and other administrative staff and ensure that all employees have adequate supervision and training. The Office should review and enhance procedures to better administer its student financial assistance programs. Management should continue to work with Internal Audit's Management Services staff to develop system and process controls that minimize the risk of overawards and other noncompliance and ensure that all workstations have adequate security settings. Finally, the Office should better coordinate its efforts with other University departments involved in the processes for the identification and recognition of student resources and cost of attendance; cash management, including matching; and identification of unofficial withdrawals.

Management Plan for Corrective Action:

- *Interim manual/semi-automated controls have been instituted effective with the beginning of Fall term 2002 to monitor changes in cost of attendance and student eligibility with supervisory review. Factors monitored include residency status, level, manual adjustments to the cost of attendance, loan origination fee calculation and attendance patterns. Programming changes involving database triggers for residency and level have been requested from Administrative Information Systems and will be in place Spring term 2003 to systematically monitor such eligibility changes enhancing coordination between university offices. Additional table edits will include acceptable ranges for cost of attendance elements with exceptions reviewed by supervisory personnel for acceptance or other resolution or remediation. Scheduled review of a variety of exception reports will help to identify training needs and regularly scheduled training sessions will deal with new topics as well as review of the basics. Planned organizational restructuring will also position the structure of OSFA to better respond to these needs. All overawards identified in this audit have been resolved.*

Responsible Position: Director of Scholarships and Financial Aid

Estimated Completion Date: January 13, 2003

- *The existing Resource Report has been refined to provide more useable and timely information including increased positions for resource dollar amounts and deleted memo entries. Additionally, the frequency of reconciliation of resources has been increased from monthly to weekly to provide for more timely recognition of resources, and efforts are under way to secure earlier more reliable information from students in the process. The Office of Student Financial Aid and the University Bursar continue to work together to further refine and automate this process.*

Responsible Position: Director of Scholarships and Financial Aid

Estimated Completion Date: December 31, 2002

- *A policy and procedure to identify students who may unofficially withdraw from the university during any term has been implemented. This procedure is executed at the end of each term. Administrative Information Systems has delivered a system report to identify and assist in the follow-up of such potential unofficial withdrawals. As unofficial withdrawals are identified, appropriate adjustments are made to their aid eligibility.*

Responsible Position: Director of Scholarships and Financial Aid

Estimated Completion Date: November 6, 2002

- *The Office of Student Financial Aid now provides the Bursar's Office with an advance spending plan that details sources of matching funds for federal programs. The plan is reviewed every other week with Bursar staff to ensure matching funds are deposited in a timely manner.*

Responsible Position: Director of Scholarships and Financial Aid

Estimated Completion Date: November 12, 2002

- *Detailed procedures for reconciling overawards have been developed and responsibility for monitoring overawards has been reassigned through office restructuring for a greater segregation of duties. Since restructuring, counselors no longer monitor their own case load for overawards. This segregation of duties permits a greater level of checks and balances across a more narrow span of control. Additional supervisory controls are currently in place including review of entries in the system table used to exclude permissible overawards from future reports. Protocol for utilizing tolerances and system tables has been revised and clarified. All overawards identified in this activity have been resolved.*

Responsible Position: Director of Scholarships and Financial Aid

Estimated Completion Date: December 31, 2002

- *Funding forecasts are provided by the Bursar's Office, and due to more favorable interest rates and increased loan consolidation volume, these forecasts have significantly understated available funds. The Office of Student Financial Aid and the Bursar's Office continue to work together to improve the reliability of the funding forecasts and to revise awarding philosophy based on a revised collection forecast model. The Office of Student Financial Aid anticipates maximum utilization of Perkins funds for 2002-03.*

Responsible Position: Director of Scholarships and Financial Aid

Estimated Completion Date: March 1, 2003

- *Operating systems and security settings on the NT server have been reviewed. As a result, workstations have been upgraded to Windows 2000 and appropriate security settings for workstations and the server have been implemented.*

Responsible Position: Director of Scholarships and Financial Aid

Estimated Completion Date: December 31, 2002

Reporting

02-24 Improve Financial Reporting over Grant Accounting

All Programs

Applicable to: Department of Health

Control and Compliance Finding: Health needs to improve the reliability of financial information recorded on the Schedule of Expenditures of Federal Awards, and all related Pass-Through Schedules, which Health reports to the Department of Accounts (DOA). DOA uses these schedules in the Commonwealth of Virginia Statewide Single Audit. The audit of Health's Schedule of Expenditures of Federal Awards (SEFA), related schedules, and footnote found numerous errors, which resulted in Health submitting revised schedules and footnote to DOA.

Requirement: Circular A-133 subpart C.300 (d) requires the auditee to prepare appropriate financial statements including the Schedule of Expenditures of Federal Awards.

Recommendation: Health should improve its reporting procedures to ensure information provided to DOA is accurate and complete. Furthermore, Health should thoroughly review and approve financial information prior to submission to DOA.

Management Plan for Corrective Action: *By the end of February 2003, the General Accounting Manager will draft a memorandum to agency grant management program staff reiterating the coding to be used for*

subrecipient and other transfers between state agencies as required by the memo from Karen Robinson and Richard Brown issued May, 1998.

By October 2003 the Grants Accountant and General Accounting Manager will identify any grant programs incorrectly coding subrecipient transfers between state agencies during preparation of the FY03 schedule and report any observed deficiency to appropriate management for corrective action.

By June 2003, the Agency will explore modifications to Health's F&A system to facilitate capture of grant tracking information as well as subrecipient transfer information to facilitate the accurate preparation of required schedules.

*Responsible Position: Janet Tramack, Grants Accountant
Beth Franklin, General Accounting Manager
Robert Zukowski, Director, Division of Accounting Services*

Estimated Completion Date: October 2003

Special Tests and Provisions

02-25 Properly Administer Return of Title IV Funds

Financial Aid
Cluster

Applicable to: Dabney S. Lancaster Community College,
New River Community College,
Southside Virginia Community College,

Control and Compliance Finding: Dabney S. Lancaster Community College and Southside Virginia Community College did not always record and post Title IV refunds in a timely manner. Both schools performed Title IV refund calculations timely and accurately; however, the two schools failed to promptly return federal funds to the federal Department of Education. Additionally, New River Community College did not properly calculate Title IV refunds since they incorrectly calculated the number of days in their scheduled breaks.

Requirement: 34 CFR Part 668.22 (c) requires that schools have a mechanism in place to identify students who have withdrawn or ceased attendance, in order to promptly and properly calculate any return of Title IV funds. Part 668.22 (j) requires that schools return unearned Title IV funds as soon as possible to the federal Department of Education, but no later than 30 days after the date the school determined the student withdrew. 34 CFR Part 668.22 (f) requires the exclusion of scheduled breaks of five or more days, including weekends, in the calculation of Title IV refunds.

Recommendation: Colleges should follow the return of Title IV funds procedures prescribed by the federal government to ensure that withdrawals are properly identified and that refunds are properly calculated and returned to the U.S. Department of Education.

Management Plan for Corrective Action:

Dabney S. Lancaster Community College: The College is now following the return of Title IV fund procedures prescribed by the federal government. To ensure that withdrawals are properly identified and that refunds are properly calculated and returned to the Department of Education in a timely manner, the procedures have been revised and documented. To ensure timeliness and accountability, a checklist has also been developed to track the entire process.

Responsible Position: Financial Aid Director and Federal Programs
Senior Accountant

Estimated Completion Date: January 2003

New River Community College: The College is now adhering to the regulations that require scheduled breaks, including weekends when there are no scheduled classes, to be excluded from the refund calculation.

Responsible Position: Coordinator of Financial Aid

Estimated Completion Date: January 2003

Southside Virginia Community College: The College will follow the return of Title IV fund procedures prescribed by the federal government. A schedule will be developed to ensure the timeliness of refunds.

Responsible Position: Financial Aid Director

Estimated Completion Date: July 2003

02-26 Provide Campus Security Report to All Current and Perspective Students and Employees

Financial Aid
Cluster

Applicable to: Dabney S. Lancaster Community College
Southside Virginia Community College
Southwest Virginia Community College

Control and Compliance Finding: Dabney S. Lancaster Community College did not completely prepare and directly provide to students and employees their annual campus security report. Southside Virginia Community College and Southwest Virginia Community College did not directly provide to students and employees their annual security report.

Requirement: 34 CFR 668.41(e) requires that currently enrolled students and employees receive the institution's annual campus security report in its entirety through publications, mailings, or electronic media sent directly to individuals. According to the above requirement, schools can post this report to a web site, but they must make available to each student a notice that identifies the information required to be disclosed; provides the exact electronic web site address; states that upon request, the individual is entitled to a paper copy; and informs the individual how to request a paper copy.

Recommendation: Colleges should comply with standards set forth by the Department of Education requiring preparation and direct notification of the annual security report.

Management Plan for Corrective Action:

Dabney S. Lancaster Community College: The College is now complying with standards set forth by the Department of Education regarding the preparation and direct notification of the campus community of the annual security report. The information has been posted to the College website. In addition, an email has been sent to current faculty and staff referencing that the statistics have been posted and the appropriate web address. Similar information will be published each fall in the class schedule mailing that goes to every household in the service area.

Responsible Position: Director of Student Services and Vice President of Finance and Administration

Estimated Completion Date: January 2003

Southside Virginia Community College: Current and prospective students are notified in the college catalog that the campus security report is available upon request. The Campus Security Report is now posted on the college website.

Responsible Position: Dean of Admissions

Estimated Completion Date: February 2003

Southwest Virginia Community College: The 2003 Campus Security Report is on the college website. Current students will receive a notice on their registration identification form that identifies the reports, provides the exact website address and informs them how to request paper copies of the Campus Security and Report.

Responsible Position: Vice President of Student Development Services

Estimated Completion Date: February 2003

02-27 Improve Usage of the Income Eligibility Verification System

93.558

Applicable to: Department of Social Services

Control and Compliance Finding: The Department does not use the Income Eligibility Verification System (IEVS) to determine eligibility for Temporary Assistance to Needy Families (TANF) recipients.

Requirement: According to 45 CFR section 205.55 and Section 1137 of the Social Security Act, the Commonwealth must coordinate data exchanges with other federally-assisted benefit programs, request and use income and benefit information when making eligibility determinations, and adhere to standardized formats and procedures in exchanging information with other programs and agencies. IEVS is the means by which the Commonwealth will meet this requirement. The Department currently verifies recipient eligibility using only the Virginia Employment Services and other internal resources.

Recommendation: The Department is attempting to integrate IEVS into the Application Benefit Delivery Automation Project (ADAPT), which is the Department's new system of record for the TANF program. The Department is currently testing the first component of IVEs at three local agencies for a planned statewide implementation in January 2003. The Department plans to add, test, and implement three additional components to the system during December 2003. The Department should continue its development of IEVS into the ADAPT system.

Management Plan for Corrective Action: IEVS was implemented statewide in January 2003. The Beneficiary Earnings Exchange Record (BEERS), the New Hire Report and the Internal Revenue Match (RES) were integrated into ADAPT. Data from the State Data Exchange (SDX) and Beneficiary and Earnings Data Exchange (BENDEX) continues to be accessed through the State Verification Exchange System (SVES).

Responsible Position: S. Duke Storen, Director, Benefit Programs

Estimated Completion Date: January 2003

Other Internal Control Matters**02-28 Resolve Unidentifiable Child Support Payments Timely**

93.563

Applicable to: Department of Social Services

Control Finding: The resolution of unidentifiable child support payments is a difficult problem, however, the Department has set as its goal the identification and resolution of support payments within 30 days. We selected ten unidentified payments from a population of 302.

We found that all ten of the payments went beyond the Department's goal and one was outstanding for 22 months.

Recommendation: Managers should reemphasize the Department's goal in this area and develop a process to age and follow up on all payments over 90 days at least quarterly.

Management Plan for Corrective Action: *While the Department agrees that the ten cited payments could have been resolved more expeditiously, we would point out the APA's sample source contained only unresolved payments and, therefore, guaranteed a 100 percent error rate (i.e., a cumulative report of unresolved items does not represent the initial unresolved population, the number of unresolved items which were cleared or the Department's resolution record). We have, however, reassessed our process and made the following adjustments to our procedures:*

- *Unresolved research issues will be communicated via e-mail and require action within five days;*
- *The research and resolution process will be completed within 60 days and measured through performance expectations; and*
- *Research and resolution results will be monitored quarterly.*

Responsible Position: Nathaniel L. Young, Assistant Commissioner & Director, Child Support Enforcement

Estimated Completion Date: Completed

02-29 Modify the Family Access to Medical Insurance Security (FAMIS) State Plan

93.767

Applicable to: Department of Medical Assistance Services

Control Finding: The Department omitted the fee-for-service benefit package from its Title XXI (FAMIS) state plan. According to the plan, the Department will offer Primary Care Case Management (PCCM) and Managed Care Organization (MCO) benefit packages. The Department anticipated having either a PCCM or MCO benefit package in all regions serving FAMIS recipients. However, in some regions, the Department could not obtain providers to enroll in either a PCCM or MCO. As a result, of approximately 32,000 FAMIS enrollees, over 7,100 participate in a fee-for-service benefit package although this is not part of the Commonwealth's approved state plan.

Recommendation: The Department should identify its program needs, revise its current plan to meet those needs, and obtain approval from the Centers for Medicare and Medicaid Services (CMS) to execute the

revised plan. The Department plans to submit revisions to CMS in fiscal year 2003.

Management Plan for Corrective Action: The Department modified the State Child Health Plan under Title XXI of the Social Security Act: Section 3 Methods of Delivery and Utilization Controls. The new State plan section addresses the fee for service, PCCM and MCO components of the FAMIS delivery system. The FAMIS regulations have also been modified to reflect these changes.

Responsible Position: Cheryl Roberts – Director Managed Care

Estimated Completion Date: Completed

02-30 Develop Corrective Action Plans for Medicaid Eligibility Quality Control (MEQC) Reviews

Medicaid
Cluster

Applicable to: Department of Medical Assistance Services

Control Finding: The Department instituted the MEQC pilot program approximately three years ago; however, to date it has not developed corrective action plans for errors identified during the various MEQC pilot projects. The Department has an interagency agreement with the Department of Social Services (DSS) to perform the quality control reviews. DSS is extremely behind in completing the reviews and reporting results to the Department. On the other hand, the Department has not enforced compliance with its interagency agreement. As such the Department has not devised a plan to address eligibility errors for the first pilot, which ended in fiscal year 2000.

Recommendation: Although the identification and correction of individual errors is important, the Department should also be proactive in identifying the cause of the errors and devising corrective action plans to prevent similar errors from reoccurring in the future.

Management Plan for Corrective Action: The Department of Medical Assistance Services and DSS have regularly scheduled meetings to review the direction and outcome of quality control efforts. As a part of the overall interagency agreement and the individual agreements created for each pilot project, the expectation for a timely corrective action plan is included.

Staff from the two agencies reviewed material from the Targeted Reviews Pilot (4/99-3/00) and the Long-Term Care (LTC) evaluation Pilot (4/00-9/01). For each initiative, statewide LTC Corrective action initiatives have been identified, as well as training issues, and regional consultants' corrective action suggestions have been included.

This material has been shared within DSS for dissemination and action as needed when developing policies, procedures, training needs, and oversight of local operations.

Responsible Position: Jim Cohen – Director Program Operations

Estimated Completion Date: Completed

02-31 Enhance Interagency Agreement Administration

Medicaid
Cluster

Applicable to: Department of Medical Assistance Services

Control Finding: The Department maintains over 115 interagency agreements with other state agencies and with local governments to administer and deliver services to the citizens of the Commonwealth. The Department's Purchasing Manual requires monitoring interagency agreements in the same manner as any contract, which includes designation of the responsibilities of the agreement administrator in writing and the regular evaluation of the agreement by the administrator. There is no written assignment of interagency agreement administrators nor does anyone conduct formal performance evaluation.

Recommendation: The letter of designation is an essential document for interagency agreement administration, since it provides the administrator key information concerning the most important elements of the agreement. The letter should explain the terms of the agreement, provide responsibilities of each of the participants in the agreement, inform the administrator if there are any miscellaneous duties, and course of action to follow if the contractor does not perform. The letter also establishes a reporting procedure to keep management apprised of the agency's performance and any difficulties in the contract.

Many agreements have been in force for many years without substantial change or review. The Department's programs change and evolve due to changes in legislative initiatives and improved technology. Because of these changes, there should be a system to review interagency agreements on a regular basis in order to ensure the coordination of services with other agencies.

Management Plan for Corrective Action: *DMAS concurs with this audit comment. DMAS performed a Control Assessment Analysis in 2000 to ascertain weaknesses and strengths in the Agency's contract administration. Everyone with contract responsibilities was included in the meetings (Budget; Fiscal and Procurement; Contract Administrators, and Internal Audit.) Based on these meetings, a number of new procedures were implemented. One of the new procedures included a memo to the contract administrators outlining their responsibilities and a request for a semi-annual review to be submitted to the Fiscal and Procurement Division.*

It was decided during the assessment meetings, that new procedures (which included the aforementioned memo) be applied to the new vendor contracts. DMAS chose not to apply the procedures to older interagency agreements ("IAGs") and contracts, because the Agency had only one full-time procurement employee performing the contract function, and the majority of the DMAS staff were tied up with implementing the new MMIS system. DMAS plans to apply the same policy and procedures used with vendor contracts to the IAGs, when they were renewed.

The process of updating the contract database has taken longer than expected because of personnel turnover and limited staffing. However, the Agency has made significant strides in developing internal controls in the contract/interagency process. Interagency contracts can't be handled identically to the vendor contracts for the following reasons:

- *The IAGs tend to cross multiple divisions. Usually, no one person or division is responsible for the entire agreement.*
- *The IAGs usually have less audit risk than the vendor contracts.*
- *The Agency has less leverage in negotiating IAGs than experienced with vendor contracts. If two agencies can't agree on the new contract terms, the services continue to be provided whether or not closure on the contract language has been reached.*
- *Lastly, many of the services acquired through IAGs are not reimbursed through a monetary exchange.*

The DMAS' contract database identifies a contract administrator for each IAG. In reality, the administrators have never been held responsible for the timely payment and review of IAGs. A meeting was held the week of July 22, 2002, to discuss possible approaches to tracking and approving IAG transactions. It was decided in that meeting that each IAG will have multiple contract administrators, if the services rendered cross division lines. Once the Agency has identified the contract administrators, the Procurement Unit will follow similar procedures as followed with vendor contracts, except for the following: 1) There could be multiple contract administrators; and, 2) Evaluations will occur yearly.

DMAS' management is currently identifying the various interagency contract administrators. The action plan includes updating 10 percent of the interagency agreements by June 30, 2003, 30 percent by December 31, 2003, and 100 percent by June 30, 2004.

Responsible Position: De Earhart, Controller

Estimated Completion Date: June 2004

02-32 Enhance Monitoring of the Fiscal Agent ContractMedicaid
ClusterApplicable to: Department of Medical Assistance Services

Control Finding: The First Health Services contract impacts practically every division of the Department's operations. The Department designated a Data Processing manager as the contract administrator; however, persons in various divisions were delegated some contract monitoring responsibilities such as approving invoices, completing semi-annual contractor evaluations, and providing documentation of the contractor's performance. However, these responsibilities are not designated in writing, resulting in some tasks not performed. For example, there are 15 individuals in at least six different divisions of the Department that were delegated the responsibility to monitor portions of the contract, however, we found that only four individuals were actually performing any contractor evaluations.

Recommendation: To better administer the contract the Department should:

- Assign an overall administrator of the contract. This person will receive reports from other designated administrators and ensure proper tracking of the contract is performed.
- Assign "in writing" administrators for the various parts of the contract in each of the divisions where First Health provides services.
- Provide each administrator with guidance as to how to monitor deliverables for their part of the contract; address contractual issues; and provide feedback to the contractor and to the Department's management on their portion of the contract.

Formalizing this designation of duties will ensure thorough contract monitoring and proper assignment of responsibility for the many parts of the contract.

Management Plan for Corrective Action: Accomplishments to Date (January 22, 2003)

Patrick Finnerty, the Agency Director, appointed Alan MacDonald as the overall administrator of the First Health contract. The DMAS Management Team was notified of this action on December 13, 2002.

With the assistance of Fiscal and Contracts Division personnel, a preliminary matrix has been constructed showing the various areas that need to be monitored and invoices that need to be certified. Federal

financial participation (FFP) has been identified and project codes have been assigned in conjunction with the accounting section of the Fiscal and Contracts Division. Contract/RFP references have also been identified in preparation for providing each subordinate monitor with guidance as specified by the APA.

A contract monitor assignment letter has been obtained from the Contracts Officer in preparation for developing specific guidance memorandum to subordinate monitors.

Agreement has been reached with the Contracts Officer that the overall administrator for the First Health contract will be the focal point for receiving reports from subordinate monitors and then making an overall report at six-month intervals to the Contracts Officer.

Schedule for Next Sixty Days

Finalize matrix showing the various areas that need to be monitored and invoices that need to be certified. This involves reassessing the appropriateness of current monitors assigned to various areas in conjunction with the applicable Division Director. Preliminary thinking is that Division Directors should not delegate this responsibility below the supervisor level.

Finalize and issue guidance letters to each monitor.

Receive first reports from subordinate contract monitor and consolidate and furnish them into a single submission that will be submitted to the Contracts Officer. Identify any problems that need to be discussed with the Contracts Officer and top management.

Responsible Position: Alan MacDonald – Director Information Management

Estimated Completion Date: April 1, 2003

02-33 Improve Contract Management and Administration

All Programs

Applicable to: Department of Health

Control Finding: Health's Office of Purchasing and General Services (OPGS) manages procurement, provides contract management guidelines and training which includes guidance on maintaining a list of contracts. OPGS also determines and monitors purchasing authority delegated to departments and local health districts. Our review of selected local health districts and other selected program areas at Health identified instances of internal control weaknesses and noncompliance with policies and procedures.

OPGS has delegated \$5,000 procurement authority to departments and local health districts. In some cases, OPGS granted verbal exceptions to the \$5,000 delegated procurement authority but no documentation exists to support these exceptions. Consequently, there were occurrences of individuals executing contracts in excess of their delegated authority.

Health has completed the development of procedures for all areas of procurement except contract management and administration. Consequently, the designation of contract administrators was not consistently assigned in writing which includes their assigned responsibilities. Without this written designation, contract administrators do not have guidelines to follow and in some cases these individuals have little or no contract management experience. OPGS needs to develop criteria for the responsibility and selection of contract administrators.

OPGS does contracting for the local health districts and, after completing the procurement, provides the local health district with the terms of the contract to verify the accuracy of payment amounts and compliance with the contract. However, there was no documentation that local health districts compared the invoices against the contract.

Recommendation: Health risks legal ramifications and overpayment for goods and services if they do not properly prepare and administer contracts and contract changes. Health should complete the development of contract management and administration procedures so that all employees are aware of and understand their responsibilities. This is important to ensure contract monitoring and consistent assignment of responsibility for the contract.

Management Plan for Corrective Action: *The Office of Purchasing and General Services (OPGS) will continue to reassess the effectiveness of the delegation of authority pertaining to contracting with nongovernmental and governmental sources. Additionally, OPGS will assess the effectiveness of assigning contract management duties to the business managers at the district and program levels. Any delegation will be documented.*

OPGS will continue to develop and conduct procurement and contract administration training, workshops, and tools. OPGS will continue to develop a VDH procurement web site which will include agency policy and procedures.

*Responsible Position: Debbie Vergara, Procurement Manager, Office of Purchasing and General Services
Tom Williams, Director, Office of Purchasing and General Services*

Estimated Completion Date: June 2003

02-34 Enhance Communication Between Human Resource Department and Payroll Department Regarding Employee Status Changes

All Programs

Applicable to: Department of Social Services

Control Finding: The Department is not adequately communicating changes in employee status between the Human Resource and Payroll Departments timely and/or effectively. Auditors found the following during audit test work:

- Employee records entered in the Commonwealth Integrated Payroll/Personnel System (CIPPS), but not in the Benefit Eligibility System (BES) within the same period.
- Employees terminated from CIPPS, but not from BES within the same period.
- Employee termination dates not the same in both CIPPS and the Personnel Management Information System (PMIS)/BES systems.
- Eight employees shown on the CIPPS terminated employees listing, but not on PMIS

These instances resulted in inaccurate health insurance premiums payments for 10 out of 20 employee's tested, payroll overpayments, and inconsistent recording of employee data in the CIPPS and PMIS/BES systems.

Recommendation: The Department should continue to examine deficiencies in the procedures for communicating and reporting employee data that would enable the Department to reduce or eliminate monthly health insurance premium reconciling items, payroll overpayments, and inconsistent reporting between the CIPPS and PMIS/BES systems.

Management Plan for Corrective Action: *The Department does not agree that there is insufficient or ineffective communication between the Division of Human Resource Management and the Payroll Department, nor does the Department feel that communication caused the cited errors. Both the use and nature of the three systems in question will create timing differences. For example, new employees are promptly entered into CIPPS for payroll purposes but may not be entered into BES until 30 days later because of the 31-day allowance for health insurance selection. While the Department does not dispute the ten cited errors, it does take credit for the fact that these errors were discovered and corrected (nine) or in the process of being corrected (one) prior to the APA's test work.*

Responsible Position: *David A. Mitchell, Deputy Commissioner,
Finance & Administration & Acting Controller*

02-35 Improve Use and Maintenance of the Time Activity Project and Expense Reporting System (TAPERS) System

All Programs

Applicable to: Department of Social Services

Control Finding: Incomplete or inaccurate information entered or maintained in this system may result in incorrect allocation of costs or missed opportunities to maximize federal reimbursement for information technology expenses. Our test work noted the following instances:

- Terminated employees remain on the TAPERS system.
- Approved and unapproved timesheets for the same pay period remain on the system. Once approved, the approver or the system does not delete the unapproved timesheets.
- Leave shown as taken in TAPERS, but there is no record of the person taking leave. In addition, TAPERS shows employees taking leave while at the same time charging labor hours.
- Some Division of Information Systems (DIS) employees are not recording time in TAPERS at all.
- Employee leave time taken and recorded records shows no supervisory review.

Recommendation: DIS supervisors should ensure employees properly record their time in TAPERS by reviewing timesheets for accuracy and verifying leave time taken to leave recorded in the system. Supervisors should resolve any discrepancies in leave with each cost center leave coordinator. Lastly, DIS should ensure proper system maintenance by requiring supervisors to remove duplicate timesheets and terminated employees.

Management Plan for Corrective Action:

- *An active TAPERS access is meaningless without access to the VDSS network.*
- *The Division of Information Systems administrative staff is not required to use TAPERS.*
- *Although approved and unapproved time sheets may be in TAPERS simultaneously, only approved time sheets are extracted for cost allocation processing.*
- *The cited leave discrepancies were related to one support group and were entered by a person no longer with the Department.*

Responsible Position: Harry R. Sutton, Director, Division of Information Systems

DATA PROCESSING CONTROLS

Information Security Programs

02-36 Strengthen Operating System Security Policies

Applicable to: Department of Health

This finding is included in the “Financial Statement Findings” section of this report as finding number 02-08.

02-37 Comply with the Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Standard 2000-01.1

Applicable to: Department of Social Services

This finding is included in the “Financial Statement Findings” section of this report as finding number 02-10.

COMMONWEALTH OF VIRGINIA							
Comments on Resolution of Prior Year Audit Findings							
For the Year Ended June 30, 2002							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status

FINANCIAL STATEMENT FINDINGS

Department of Health

2001	12	01-5	Assign Responsibility for Security of the Oracle Production Databases and Develop Policies and Procedures or Guidelines for Maintaining Proper Controls	N/A	VDH	-	Corrective action implemented
2001	13	01-6	Strengthen Operating System Security Policies	N/A	VDH	-	See Audit Control No. 02 - 08
2001	21	01-14	Develop a Reliable and Realistic Funding Scheme	N/A	VDH	-	Corrective action implemented
2000	24	00-19	and Reassess the Timeline of the Web-VISION Project Plan				
1999	28	99-16					
1998	28	98-23					

Department of Information Technology - Service Bureau

2001	22	01-15	Perform a Review of Trusted Firewall Relationships	N/A	DIT	-	Corrective action implemented
2000	26	00-20					
1999	30	99-17					
2001	23	01-16	Develop Policies and Procedures for Maintaining Security Controls on the UNIX Sun E10000	N/A	DIT	-	Corrective action implemented

Department of Motor Vehicles

2001	14	01-7	Continue to Develop Information Systems Security Plan and Monitor User Access	N/A	DMV	-	Corrective action implemented
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Department of Social Services

2001	9	01-1	Perform Reconciliation of Financial Systems	N/A	DSS	-	Corrective action implemented
2001	15	01-8	Finalize Policies and Procedures for Oracle Security Controls	N/A	DSS	-	Corrective action implemented
2000	10	00-2					
2001	11	01-3	Improve Documentation for System Modifications	N/A	DSS	-	Corrective action implemented
2000	13	00-6					

Department of Taxation

2001	16	01-9	Update Information System Security and Risk Assessment Plan	N/A	TAX	-	See Audit Control No. 02 - 11
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Department of Transportation

2001	16	01-10	Comply with the Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Standard 2000-01.1	N/A	VDOT	-	Corrective action implemented
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COMMONWEALTH OF VIRGINIA							
Comments on Resolution of Prior Year Audit Findings							
For the Year Ended June 30, 2002							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status

Department of Treasury

2001	9	01-2	Improve Controls Over Check Processing	N/A	Treasury	-	Corrective action implemented
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University of Virginia Medical Center

2001	12	01-4	Implement the New Change Control Procedures	N/A	UVAMC	-	Corrective action implemented
2000	13	00-7	Over Peoplesoft and Oracle Applications				
2001	18	01-11	Continue Security Initiative Over Critical	N/A	UVAMC	-	See Audit Control No. 02 - 12
2000	18	00-13	Information Systems and Network				
1999	15	99-7					
1998	12	98-6					
1997	15	97-6					

Virginia College Savings Plan

2001	19	01-12	Develop Disaster Recovery and Contingency Plan	N/A	VCSP	-	Corrective action implemented
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Virginia Employment Commission

2001	20	01-13	Update Facilitated Risk Analysis Plan	N/A	VEC	-	Corrective action implemented
2000	20	00-15					

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

U.S. Department of Agriculture

2001	25	01-17	Complete Triennial Reviews	Food Stamp Cluster	DSS	-	Corrective action implemented
2001	26	01-18	Monitor System Overrides for Food Stamp Benefits	Food Stamp Cluster	DSS	-	Corrective action implemented

U. S. Department of Labor

2001	27	01-19	Implement Procedures for Conducting Subrecipient Monitoring	17.255	VEC	-	Corrective action implemented
2001	28	01-20	Update Facilitated Risk Analysis Plan	N/A	VEC	-	Corrective action implemented
2000	39	00-32					

U. S. Department of Education

2001	29	01-21	Comply with the Cash Management Improvement Act Agreement	84.126	DRS	-	Corrective action implemented
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COMMONWEALTH OF VIRGINIA							
Comments on Resolution of Prior Year Audit Findings							
For the Year Ended June 30, 2002							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status

2001	30	01-22	Comply with Federal Work Study Matching Requirements	Financial Aid Cluster	VCCS	-	Corrective action implemented Note: Germanna is under waiver of the match requirement for FY 2003
2001	31	01-23	Properly Reconcile Accounting Records with the Department of Education	Financial Aid Cluster	VCCS	-	Corrective action implemented
2001	31	01-24	Properly Administer Return of Title IV Funds	Financial Aid Cluster	VCCS	-	Corrective action implemented
2000	41	00-35					
2001	32	01-25	Conduct Exit Interviews for Perkins Loans	Financial Aid Cluster	NSU	-	Corrective action implemented
2001	33	01-26	Identify Students Who Withdraw Without Officially Notifying the College	Financial Aid Cluster	VCCS	-	Corrective action implemented

U.S. Department of Health and Human Services

2001	43	01-30	Strengthen Controls Over Binding Commitments	66.468	VDH	-	Corrective action implemented
2000	54	00-51	Investigate Medicaid Eligibility Quality	Medicaid Cluster	DMAS	-	Corrective action implemented;
1999	45	99-43	Control Error Cases			\$43,000	questioned costs remain unresolved.
2001	44	01-31	Improve Use of Income Eligibility Verification	93.558	DSS	-	See Audit Control No. 02 - 27
2000	56	00-53	System				
1999	47	99-46					
2001	45	01-32	Develop an Independent Peer Review	93.959	DMHMRSAS	-	Corrective action implemented
2000	55	00-52	Monitoring Process				
2001	47	01-33	Implement Sanctioned Medicaid Recipient	Medicaid Cluster	DMAS	-	Corrective action implemented
2000	57	00-54	Fraud Precautions				
2001	48	01-34	Improve Medicaid Quality Control Process	Medicaid Cluster	DSS	-	Corrective action implemented
2000	58	00-56					
2001	50	01-35	Strengthen Contract Manager Oversight	Medicaid Cluster	DMAS	-	Corrective action implemented
2001	51	01-36	Review Fiscal Agent Contract Management Oversight	Medicaid Cluster	DMAS	-	See Audit Control No. 02 - 31 and Audit Control No. 02 - 32
1999	44	99-42	Complete Timely Investigations of	Medicaid Cluster	DMAS		Corrective action implemented;
	47	99-45	Recipient Fraud			\$ 4.3-5.4 million	questioned costs resolved.

U.S. Department of Health and Human Services - Findings Affecting Multiple Federal Departments

2001	35	01-27	Properly Charge Payroll to Federal Programs	All Programs	DSS	-	See Audit Control No. 02 - 35
2000	40	00-33					
1999	38	99-31					
1998	39	98-36					

COMMONWEALTH OF VIRGINIA							
Comments on Resolution of Prior Year Audit Findings							
For the Year Ended June 30, 2002							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
2001	36	01-28	Improve Procedures Over Revenue Maximization Process	All Programs	DSS	\$1.1 Million	Corrective action implemented; questioned costs remain unresolved
2001	41	01-29	Improve Program Monitoring Structure and Procedures	All Programs	DSS	-	Corrective action implemented
2001	51	01-37	Manage Contracts and Update Procurement Policies and Procedures	All Programs	VDH	-	See Audit Control No. 02 - 33
2000	42	00-36					
2001	55	01-38	Improve Benefit Overpayment Monitoring and Collections Procedures	All Programs	DSS	-	Corrective action implemented
2001	56	01-39	Improve Internal Controls Over Payroll	All Programs	DSS	-	See Audit Control No. 02 - 34
2000	43	00-37					
2001	59	01-40	Improve Documentation for System	N/A	DSS	-	Corrective action implemented
2000	48	00-40	Modifications				
2001	59	01-41	Assign Responsibility for Security of the Oracle Production Databases and Develop Policies and Procedures or Guidelines for Maintaining Proper Controls	N/A	VDH	-	Corrective action implemented
2001	60	01-42	Strengthen Operating System Security Policies	N/A	VDH	-	See Audit Control No. 02 - 36
2001	60	01-43	Finalize Policies and Procedures for Oracle	N/A	DSS	-	Corrective action implemented
2000	47	00-38	Security Controls				
2001	60	01-44	Comply with the Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Standard 2000-01.1	N/A	VDOT	-	Corrective action implemented
2001	60	01-45	Develop a Reliable and Realistic Funding Scheme	N/A	VDH	-	Corrective action implemented
2000	49	00-47	and Reassess the Timeline of the Web-VISION				
1999	42	99-40	Project Plan				
1998	48	98-57					

INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the basic financial statements of the Commonwealth of Virginia as of and for the year ended June 30, 2002, and have issued our report thereon dated December 12, 2002. These financial statements are the responsibility of the Commonwealth's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit federal assistance programs for the agencies and component units discussed in Note 1 of the "Notes to the Schedule of Expenditures of Federal Awards."

We conducted our audit 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 Office of Management and Budget (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 the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying "Schedule of Expenditures of Federal Awards" is presented for the purpose 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 in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Governor and General Assembly of Virginia, management, 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.

AUDITOR OF PUBLIC ACCOUNTS
December 12, 2002

JHT:whb

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				
Other Assistance:	02.000			
Other		\$ 620,097		
Other			\$ 149,360	American International Health Alliance
Other			215,892	South East Consortium for International Development
Total Excluding Cluster Identified Below		620,097	365,252	
Research and Development Cluster:				
Other Assistance:	02.000			
Other		2,640,984		
Other			31,119	Association Liaison Office Cooperation in Development
Other			122,817	Contraceptive Research and Development Program
Other			47,308	Michigan State University
Other			108,471	University of Georgia
Total Research and Development Cluster		2,640,984	309,715	
Total U.S. Agency for International Development		3,261,081	674,967	
U.S. DEPARTMENT OF AGRICULTURE				
Agricultural Research - Basic and Applied Research	10.001	124,059		
Plant and Animal Disease, Pest Control, and Animal Care	10.025	210,402		
Forestry Incentives Program	10.064	40,100		
Federal-State Marketing Improvement Program	10.156	1,214		
Market Protection and Promotion	10.163	17,384		
Transportation Services	10.167	18,219		
Grants for Agricultural Research, Special Research Grants	10.200	3,687		
Grants for Agricultural Research, Special Research Grants	10.200		20,270	University of Arkansas Fayetteville
Grants for Agricultural Research, Special Research Grants	10.200		1,838	University of Florida
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	66,465		
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210		928	University of Florida
Higher Education Challenge Grants	10.217	52,805		
Higher Education Challenge Grants	10.217		19,014	Cornell University
Higher Education Multicultural Scholars Program	10.220	58,306		
Crop Insurance	10.450	76,109		
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	1,539,379		
Cooperative Extension Service	10.500	11,893,840		
Cooperative Extension Service	10.500		160,828	Auburn University
Cooperative Extension Service	10.500		2,972	New Mexico State University
Cooperative Extension Service	10.500		13,382	North Carolina State University
Cooperative Extension Service	10.500		14,431	Texas A&M University
Cooperative Extension Service	10.500		128,041	University of Arizona
Cooperative Extension Service	10.500		1,905	University of Georgia
Cooperative Extension Service	10.500		27,156	University of Wisconsin Madison
Food Donation	10.550	2,032,305		
Food Donation	10.550		18,300	Northwestern University
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	75,504,846		
Child and Adult Care Food Program	10.558	17,503		
State Administrative Expenses for Child Nutrition	10.560	1,629,738		
Nutrition Program for the Elderly	10.570	2,118,422		
Forestry Research	10.652	54,202		
Cooperative Forestry Assistance	10.664	3,837,276		
Rural Development, Forestry, and Communities	10.672	22,110		
Technical Assistance and Training Grants	10.761	22,200		
Rural Business Enterprise Grants	10.769	85,000		
Rural Business Enterprise Grants	10.769		16,165	West Virginia Housing Development Fund
Rural Cooperative Development Grants	10.771	(10,977)		
Rural Cooperative Development Grants	10.771		28,942	Hampton University
Empowerment Zones Program	10.772	10,713		
Distance Learning and Telemedicine Loans and Grants	10.855	43,031		
Resource Conservation and Development	10.901	24,410		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Wildlife Habitat Incentive Program	10.914	124,656		
Other Assistance	10.000	1,454,324		
Total Excluding Clusters Identified Below		101,071,728	454,172	
Food Stamp Cluster:				
Food Stamps	10.551	293,020,652		
State Administrative Matching Grants for Food Stamp Program	10.561	77,214,139		
Total Food Stamp Cluster		370,234,791		
Child Nutrition Cluster:				
School Breakfast Program	10.553	27,746,620		
National School Lunch Program	10.555	129,248,430		
Special Milk Program for Children	10.556	61,833		
Summer Food Service Program for Children	10.559	111,262		
Total Child Nutrition Cluster		157,168,145		
Emergency Food Assistance Cluster:				
Emergency Food Assistance Program (Administrative Costs)	10.568	941,180		
Emergency Food Assistance Program (Food Commodities)	10.569	9,215,887		
Total Emergency Food Assistance Cluster		10,157,067		
Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	825,803		
Research and Development Cluster:				
Agricultural Research - Basic and Applied Research	10.001	1,200,330		
Agricultural Research - Basic and Applied Research	10.001		10,000	American Cocoa Research Institute
Plant and Animal Disease, Pest Control, and Animal Care	10.025	11,618		
Wildlife Services	10.028	47,102		
Marketing Agreements and Orders	10.155	26,532		
Inspection Grading and Standardization	10.162	11,839		
Grants for Agricultural Research, Special Research Grants	10.200	838,562		
Grants for Agricultural Research, Special Research Grants	10.200		69,167	Cornell University
Grants for Agricultural Research, Special Research Grants	10.200		31,002	Oregon State University
Grants for Agricultural Research, Special Research Grants	10.200		10,920	Southern Illinois University
Grants for Agricultural Research, Special Research Grants	10.200		17,310	Texas A&M University
Grants for Agricultural Research, Special Research Grants	10.200		25,564	University of Arkansas Fayetteville
Grants for Agricultural Research, Special Research Grants	10.200		26,974	University of Florida
Cooperative Forestry Research	10.202	547,730		
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	3,083,432		
Payments to 1890 Land - Grant Colleges and Tuskegee University	10.205	2,651,642		
Grants for Agricultural Research - Competitive Research Grants	10.206	1,385,015		
Grants for Agricultural Research - Competitive Research Grants	10.206		1,466	University of Florida
Grants for Agricultural Research - Competitive Research Grants	10.206		43,179	University of North Carolina - Greensboro
Grants for Agricultural Research - Competitive Research Grants	10.206		43,830	University of South Florida
Animal Health and Disease Research	10.207	91,174		
Animal Health and Disease Research	10.207		14,922	University of Tennessee
Animal Health and Disease Research	10.207		6,715	Veterinary Technologies
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	2,033		
Small Business Innovation Research	10.212		9,530	H&T Alternative Controls LLC
Sustainable Agriculture Research and Education	10.215		53,445	University of Georgia
1890 Institution Capacity Building Grants	10.216	457,440		
Higher Education Challenge Grants	10.217	(96)		
Biotechnology Risk Assessment Research	10.219	18,567		
Fund for Rural America - Research, Education, and Extension Activities	10.224	116,497		
Agricultural and Rural Economic Research	10.250	1,548		
Initiative for Future Agriculture and Food Systems	10.302	228,547		
Initiative for Future Agriculture and Food Systems	10.302		14,133	University of Pennsylvania
Integrated Programs	10.303	371,562		
Integrated Programs	10.303		45,125	University of Florida
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	10.443	235,991		
Cooperative Extension Service	10.500		28,502	Kansas State University
Cooperative Extension Service	10.500		7,391	North Carolina State University
Cooperative Extension Service	10.500		9,228	SARE
Nutrition Education and Training Program	10.564	11,129		
Forestry Research	10.652	1,236,660		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Cooperative Forestry Assistance	10.664	703,346		
Cooperative Forestry Assistance	10.664		20,594	Mississippi State University
Rural Development, Forestry, and Communities	10.672	7,060		
Great Plains Conservation	10.900	20,186		
Resource Conservation and Development	10.901	5,540		
Soil and Water Conservation	10.902	157,868		
Wildlife Habitat Incentive Program	10.914		25,261	Tennessee Wildlife Resources Agency
Scientific Cooperation and Research	10.961	7,426		
Scientific Cooperation and Research	10.961		79,982	International Institute of Tropical Agriculture
Scientific Cooperation and Research	10.961		9,728	Tuskegee University
Other Assistance	10.000	257,048		
Other Assistance	10.000		5,080	University of Minnesota Twin Cities
Total Research and Development Cluster		13,733,328	609,048	
Total U.S. Department of Agriculture		653,190,862	1,063,220	

U.S. DEPARTMENT OF COMMERCE

Economic Development - Technical Assistance	11.303	170,758		
Interjurisdictional Fisheries Act of 1986	11.407	147,711		
Sea Grant Support	11.417	507,776		
Coastal Zone Management Administration Awards	11.419	2,520,517		
Coastal Zone Management Estuarine Research Reserves	11.420	333,516		
Climate and Atmospheric Research	11.431	8,084		
Marine Fisheries Initiative	11.433	15,998		
Integrated Flood Observing and Warning System (IFLOWS)	11.450	85,941		
Unallied Industry Projects	11.452		16,000	Luna Innovations
Cooperative Science and Education Program	11.455	18,066		
Chesapeake Bay Studies	11.457	25,763		
Habitat Conservation	11.463	30,743		
Atlantic Coastal Fisheries Cooperative Management Act	11.474	254,917		
Public Telecommunications Facilities - Planning and Construction	11.550	(1,455)		
Technology Opportunities	11.552	62,831		
Measurement and Engineering Research and Standards	11.609	6,945		
Manufacturing Extension Partnership	11.611	2,162,017		
Other Assistance	11.000	708,435		
Total Excluding Clusters Identified Below		7,058,563	16,000	
Public Works and Economic Development Cluster:				
Economic Adjustment Assistance	11.307	13,926,051		
Research and Development Cluster:				
ITA Special Projects	11.113		27,872	Auburn University
Anadromous Fish Conservation Act Program	11.405	82,985		
Sea Grant Support	11.417	2,683,830		
Sea Grant Support	11.417		8,663	Marine Biology Lab
Coastal Zone Management Administration Awards	11.419	379,773		
Coastal Zone Management Estuarine Research Reserves	11.420	256,793		
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	171,540		
Undersea Research	11.430	330		
Undersea Research	11.430		18,724	University of North Carolina
Climate and Atmospheric Research	11.431	149,337		
Office of Oceanic and Atmospheric Research (OAR)				
Joint and Cooperative Institutes	11.432	12,600		
Research in Remote Sensing of the Earth and Environment	11.440	8,682		
Regional Fishery Management Councils	11.441	10,556		
Unallied Management Projects	11.454	224,649		
Cooperative Science and Education Program	11.455	266,458		
Chesapeake Bay Studies	11.457	359,504		
Meteorologic and Hydrologic Modernization Development	11.467	6,669		
Office of Administration Special Programs	11.470	3,366		
Unallied Science Program	11.472	39,572		
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	11.478	44,595		
Public Telecommunications Facilities - Planning and Construction	11.550	106,265		
Public Telecommunications Facilities - Planning and Construction	11.550		25,908	Blacksburg Electronic Village Inc.

COMMONWEALTH OF VIRGINIA
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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Measurement and Engineering Research and Standards	11.609	179,911		
Other Assistance	11.000	120,966		
Total Research and Development Cluster		5,108,381	81,167	
Total U.S. Department of Commerce		26,092,995	97,167	

U.S. DEPARTMENT OF DEFENSE

Procurement Technical Assistance For Business Firms	12.002	272,145		
Planning Assistance to States	12.110	23,990		
Payments to States in Lieu of Real Estate Taxes	12.112	76,489		
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	587,640		
Collaborative Research and Development	12.114	16,669		
Basic and Applied Scientific Research	12.300	259,051		
Basic and Applied Scientific Research	12.301	65,743		
Military Construction, National Guard	12.400	629,965		
National Guard Military Operations and Maintenance (O&M) Projects	12.401	18,396,649		
Basic Scientific Research	12.431	24,688		
International Education - U.S. Colleges and Universities	12.550	229,341		
Basic, Applied, and Advanced Research in Science and Engineering	12.630	22,410		
Donations/Loans of Obsolete DOD Property	12.700	62,089		
Air Force Defense Research Sciences Program	12.800	19,735		
Mathematical Sciences Grants Program	12.901	11,716		
Research and Technology Development	12.910	702,526		
Defense Technology Conversion, Reinvestment, and Transition Assistance	12.911	30,291		
Other Assistance:	12.000			
Other		1,465,340		
Other			104,721	Carnegie Mellon University
Other			18,451	Old Dominion University Research Foundation
Total Excluding Cluster Identified Below		22,896,477	123,172	

Research and Development Cluster:

Aquatic Plant Control	12.100	960,941		
Flood Control Projects	12.106	219,335		
Flood Control Projects	12.106		14,575	Southern Sierra Research Station
Navigation Projects	12.107	52,826		
Collaborative Research and Development	12.114	91,642		
Collaborative Research and Development	12.114		6,514	David Miller & Associates
Collaborative Research and Development	12.114		141,394	Luna Innovations
Basic and Applied Scientific Research	12.300	15,896,417		
Basic and Applied Scientific Research	12.300		20,633	Accurate Automation Corporation
Basic and Applied Scientific Research	12.300		110,544	Anteon Inc.
Basic and Applied Scientific Research	12.300		266,155	Cambridge Hydrodynamics
Basic and Applied Scientific Research	12.300		271,162	Carnegie Mellon University
Basic and Applied Scientific Research	12.300		49,817	Concurrent Technologies Corporation
Basic and Applied Scientific Research	12.300		542	Eikos LLC
Basic and Applied Scientific Research	12.300		11,217	Hydrosize Technologies Inc.
Basic and Applied Scientific Research	12.300		14,962	John J McMullen Associates Inc.
Basic and Applied Scientific Research	12.300		52,933	Luna Innovations Inc.
Basic and Applied Scientific Research	12.300		488	Nanopowder Enterprises Inc.
Basic and Applied Scientific Research	12.300		5,000	Nanosonic Inc.
Basic and Applied Scientific Research	12.300		(11,452)	Nomura Enterprise Inc.
Basic and Applied Scientific Research	12.300		49,999	Penn State University
Basic and Applied Scientific Research	12.300		328,629	Princeton University
Basic and Applied Scientific Research	12.300		200,340	University of Colorado
Basic and Applied Scientific Research	12.300		134,711	University of Illinois
Basic and Applied Scientific Research	12.300		83,459	University of Maryland
Basic and Applied Scientific Research	12.300		7,509	University of Nebraska-Lincoln
Basic and Applied Scientific Research	12.300		85,599	Weidlinger Associates Inc.
Basic and Applied Scientific Research	12.301	32,428		
Basic and Applied Scientific Research	12.301		17,603	Luna Innovations Inc.
Basic and Applied Scientific Research	12.301		31,133	Nanosonic Inc.
Military Construction, National Guard	12.400	67,805		
Military Medical Research and Development	12.420	3,282,453		
Military Medical Research and Development	12.420		207,043	Carnegie Mellon University
Military Medical Research and Development	12.420		17,492	International Research & Exchange Board
Military Medical Research and Development	12.420		4,170	Johns Hopkins University

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Basic Scientific Research	12.431	2,514,172		
Basic Scientific Research	12.431		98,927	Adaptive Technologies Inc.
Basic Scientific Research	12.431		1	Astron Wireless Technologies Inc.
Basic Scientific Research	12.431		21,134	General Electric Corporate Research
Basic Scientific Research	12.431		17,545	General Motors Corporation
Basic Scientific Research	12.431		48,740	Luna Innovations Inc.
Basic Scientific Research	12.431		69,015	Penn State University
Basic Scientific Research	12.431		136,877	University of Florida
Basic Scientific Research	12.431		20,106	University of Maryland
Basic Scientific Research	12.431		60,989	University of Michigan - Ann Arbor
Basic Scientific Research	12.431		6,730	University of Texas - Pan American
Basic, Applied, and Advanced Research in Science and Engineering	12.630	1,804,651		
Basic, Applied, and Advanced Research in Science and Engineering	12.630		52,807	BAE Systems Information & Electronic Warfare Systems
Basic, Applied, and Advanced Research in Science and Engineering	12.630		15,684	DDL Omni Engineering LLC
Basic, Applied, and Advanced Research in Science and Engineering	12.630		187,325	Lambda Instruments Inc.
Basic, Applied, and Advanced Research in Science and Engineering	12.630		24,023	Penn State University
Basic, Applied, and Advanced Research in Science and Engineering	12.630		908	Syndetix Inc.
Basic, Applied, and Advanced Research in Science and Engineering	12.630		4,128	University of Maine
Basic, Applied, and Advanced Research in Science and Engineering	12.630		24,997	University of Michigan
Integrated Helicopter Design Tools	12.640	1,782		
Integrated Helicopter Design Tools	12.640		96,749	University of Illinois
Integrated Helicopter Design Tools	12.640		49,266	Veridian Systems Div.
Air Force Defense Research Sciences Program	12.800	3,402,361		
Air Force Defense Research Sciences Program	12.800		1,945	ACS
Air Force Defense Research Sciences Program	12.800		27,992	AeroSoft Inc.
Air Force Defense Research Sciences Program	12.800		145,585	Boeing
Air Force Defense Research Sciences Program	12.800		28,270	CENTRA Technology Inc.
Air Force Defense Research Sciences Program	12.800		62,163	City College of New York
Air Force Defense Research Sciences Program	12.800		94,033	ERC Inc.
Air Force Defense Research Sciences Program	12.800		13,504	Innovative Scientific Solutions Inc.
Air Force Defense Research Sciences Program	12.800		37,728	Luna Innovations Inc.
Air Force Defense Research Sciences Program	12.800		70,365	Nanosonic Inc.
Air Force Defense Research Sciences Program	12.800		5,627	Sverdrup Technology Inc.
Air Force Defense Research Sciences Program	12.800		29,626	Syndetix Inc.
Air Force Defense Research Sciences Program	12.800		12,145	Universities Space Research Association
Air Force Defense Research Sciences Program	12.800		1,021	University of Dayton
Air Force Defense Research Sciences Program	12.800		13,653	University of North Carolina - Charlotte
Air Force Defense Research Sciences Program	12.800		144,693	University of Southern California
Air Force Defense Research Sciences Program	12.800		36,753	Yale University
Mathematical Sciences Grants Program	12.901	66,527		
Research and Technology Development	12.910	2,780,760		
Research and Technology Development	12.910		116,354	Cambridge Hydrodynamics
Research and Technology Development	12.910		124,800	Harvard University
Research and Technology Development	12.910		9,558	HRL Laboratories LLC
Research and Technology Development	12.910		19,069	Logistics Management Institute
Research and Technology Development	12.910		26,866	Nanosonic Inc.
Research and Technology Development	12.910		626,947	Raytheon Systems Company
Research and Technology Development	12.910		123,933	University of Southern California
Research and Technology Development	12.910		93,060	Xilinx Inc.
Defense Technology Conversion, Reinvestment, and Transition Assistance	12.911	59,208		
Other Assistance:	12.000			
Other		9,482,073		
Other			8,536	ADOPTTECH Inc.
Other			41,276	AeroSoft Inc.
Other			2,625	Anteon Inc.
Other			4,984	Astron Wireless Technologies Inc.
Other			22,264	Battelle
Other			3,753	CH2M HILL Inc.
Other			6,716	Concurrent Technologies Corporation
Other			10,911	Conducting Materials
Other			731	DCS Corporation
Other			34,944	Kopin Corporation
Other			62,668	Lockheed Martin Aeronautical System
Other			39,939	Logicon Corporation
Other			30,392	Luna Innovations Inc.
Other			38,246	Max Power Inc.
Other			17,202	McDermott Technology Inc.
Other			7,803	MUSC Foundation
Other			28,608	Pratt & Whitney Corporation
Other			35,187	Stress Technology Inc.

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Other			24,115	Sverdrup Technology Inc.
Other			86,063	Technology in Blacksburg Inc.
Other			3,581	Universities Space Research Association
Other			63,593	UTD Inc.
Total Research and Development Cluster		40,715,381	5,497,949	
Total U.S. Department of Defense		63,611,858	5,621,121	

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community Development Block Grants/Special Purpose				
Grants/Insular Areas	14.225	14,671		
Community Development Block Grants/State's Program	14.228	24,790,588		
Emergency Shelter Grants Program	14.231	1,286,176		
Supportive Housing Program	14.235	190,896		
Historically Black Colleges and Universities Program	14.237	260,985		
Shelter Plus Care	14.238	202,380		
HOME Investment Partnerships Program	14.239	11,819,215		
Housing Opportunities for Persons with AIDS	14.241	281,782		
Housing Opportunities for Persons with AIDS	14.241		10,995	City of Richmond
Opportunities for Youth - Youthbuild Program	14.243	21,667		
Community Development Block Grants/Economic Development Initiative	14.246	18,507		
Fair Housing Assistance Program - State and Local	14.401	257,380		
Community Outreach Partnership Center Program	14.511	157,378		
Community Development Work-Study Program	14.512	39,021		
Resident Opportunity and Supportive Services	14.870		54,700	City of Danville Housing Authority
Resident Opportunity and Supportive Services	14.870		29,819	Danville Redevelopment & Housing Authority
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	442,352		
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		3,769	City of Richmond
Total Excluding Clusters Identified Below		39,782,998	99,283	
Research and Development Cluster:				
Manufactured Home Construction and Safety Standards	14.171	442,504		
Empowerment Zones Program	14.244	14,187		
General Research and Technology Activity	14.506	1,192		
Community Outreach Partnership Center Program	14.511	85,272		
Other Assistance	14.000		10,804	University Consortium for Geographic Information Science
Total Research and Development Cluster		543,155	10,804	
Total U.S. Department of Housing and Urban Development		40,326,153	110,087	

U.S. DEPARTMENT OF THE INTERIOR

Regulation of Surface Coal Mining and Surface Effects of				
Underground Coal Mining	15.250	3,281,672		
Abandoned Mine Land Reclamation (AMLR) Program	15.252	4,911,837		
Fish and Wildlife Management Assistance	15.608	19,677		
Coastal Wetlands Planning, Protection and Restoration Act	15.614	12,227		
Cooperative Endangered Species Conservation Fund	15.615	66,328		
Clean Vessel Act	15.616	289,637		
Wildlife Conservation and Appreciation	15.617	7,559		
Wildlife Conservation and Restoration	15.625	362		
U.S. Geological Survey - Research and Data Acquisition	15.808	118,227		
Historic Preservation Fund Grants-In-Aid	15.904	644,068		
National Historic Landmark	15.912	34,433		
Outdoor Recreation - Acquisition, Development and Planning	15.916	453,685		
Rivers, Trails and Conservation Assistance	15.921	413,443		
Other Assistance	15.000	541,304		
Total Excluding Clusters Identified Below		10,794,459		
Fish and Wildlife Cluster:				
Sport Fish Restoration	15.605	3,157,027		
Wildlife Restoration	15.611	3,995,013		
Total Fish and Wildlife Cluster		7,152,040		

COMMONWEALTH OF VIRGINIA
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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Research and Development Cluster:				
Water Reclamation and Reuse Program	15.504		77,998	URS Corporation
Sport Fish Restoration	15.605	676,255		
Fish and Wildlife Management Assistance	15.608	52,481		
Wildlife Conservation and Appreciation	15.617	18,922		
Wildlife Conservation and Appreciation	15.617		14,685	Universidad Autonoma de Chihuahua
North American Wetlands Conservation Fund	15.623	23,976		
Assistance to State Water Resources Research Institutes	15.805	462,094		
Earthquake Hazards Reduction Program	15.807	103,711		
U.S. Geological Survey - Research and Data Acquisition	15.808	1,655,771		
National Cooperative Geologic Mapping Program	15.810	11,605		
Historic Preservation Fund Grants-In-Aid	15.904	6,362		
National Historic Landmark	15.912	964		
Technical Preservation Services	15.915	452,957		
Outdoor Recreation - Acquisition, Development and Planning	15.916	217,807		
Rivers, Trails and Conservation Assistance	15.921	30,676		
Rivers, Trails and Conservation Assistance	15.921		53,599	Florida International University
National Center for Preservation Technology and Training	15.923	58,696		
Other Assistance	15.000	119,281		
Total Research and Development Cluster		3,891,558	146,282	
Total U.S. Department of the Interior		21,838,057	146,282	

U.S. DEPARTMENT OF JUSTICE

State Domestic Preparedness Equipment Support Program	16.007	235,941		
State and Local Domestic Preparedness Training Program	16.008	17		
Sex Offender Management Discretionary Grant	16.203	7,001		
Juvenile Accountability Incentive Block Grants	16.523	6,892,558		
Grants to Reduce Violent Crimes Against Women on Campus	16.525	46,704		
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	1,879,247		
Juvenile Justice and Delinquency Prevention - Special Emphasis	16.541	761		
National Institute for Juvenile Justice and Delinquency Prevention	16.542	171,563		
Victims of Child Abuse	16.547		21,752	Virginia CASA Association
Part E - State Challenge Activities	16.549	23,790		
National Criminal History Improvement Program (NCHIP)	16.554	1,330,393		
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	20,373		
Crime Laboratory Improvement - Combined Offender DNA Index System Backlog Reduction	16.564	690,600		
Crime Victim Assistance	16.575	9,065,711		
Crime Victim Compensation	16.576	611,000		
Byrne Formula Grant Program	16.579	11,523,081		
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	88,751		
Crime Victim Assistance/Discretionary Grants	16.582	87,515		
Drug Court Discretionary Grant Program	16.585	22,418		
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586	2,330,013		
Violence Against Women Formula Grants	16.588	2,954,989		
Rural Domestic Violence and Child Victimization Enforcement Grant Program	16.589	214,534		
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	170,716		
Local Law Enforcement Block Grants Program	16.592	591,233		
Residential Substance Abuse Treatment for State Prisoners	16.593	900,020		
Executive Office for Weed and Seed	16.595	(9,431)		
Planning, Implementing, and Enhancing Strategies in Community Prosecution - Gun Violence Prosecution	16.609	16,558		
Public Safety Partnership and Community Policing Grants	16.710	2,195,381		
Police Corps	16.712	281,739		
Enforcing Underage Drinking Laws Program	16.727	415,979		
Drug-Free Communities Support Program Grants	16.729		3,075	Staunton/Augusta County CADRE
Other Assistance	16.000	293,584		
Total Excluding Cluster Identified Below		43,052,739	24,827	

Research and Development Cluster:

Law Enforcement Assistance - Narcotics and Dangerous Drugs - Laboratory Analysis	16.001	235,205		
Sex Offender Management Discretionary Grant	16.203	114,869		
Law Enforcement Assistance - National Crime Information Center	16.304	62,659		
Combined DNA Index System	16.307	13		

COMMONWEALTH OF VIRGINIA
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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Juvenile Justice and Delinquency Prevention - Special Emphasis	16.541	153,266		
Part E - State Challenge Activities	16.549	66,289		
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	162,231		
Byrne Formula Grant Program	16.579	58,678		
Violence Against Women Formula Grants	16.588	32,569		
Other Assistance	16.000	559,521		
Total Research and Development Cluster		1,445,300		
Total U.S. Department of Justice		44,498,039	24,827	
U.S. DEPARTMENT OF LABOR				
Labor Force Statistics	17.002	1,611,574		
Compensation and Working Conditions	17.005	106,978		
Certification of Foreign Workers for Temporary Agricultural Employment	17.202	(1,083)		
Labor Certification for Alien Workers	17.203	1,338,372		
Unemployment Insurance	17.225	759,687,334		
Senior Community Service Employment Program	17.235	1,855,150		
Senior Community Service Employment Program	17.235		1,135,279	National Council on Aging
Trade Adjustment Assistance - Workers	17.245	14,153,451		
Welfare-to-Work Grants to States and Localities	17.253	6,868,513		
Welfare-to-Work Grants to States and Localities	17.253		122,643	City of Charlottesville
Welfare-to-Work Grants to States and Localities	17.253		25,033	District of Columbia Welfare-To-Work Admin
Welfare-to-Work Grants to States and Localities	17.253		21,707	District of Columbia Welfare-To-Work Program
Welfare-to-Work Grants to States and Localities	17.253		33,691	Region VA Workforce Investment Board
Welfare-to-Work Grants to States and Localities	17.253		324,391	Welfare To Work Local Areas
One-Stop Career Center Initiative	17.257	62,362		
Employment and Training Administration Pilots, Demonstrations, and Research Projects	17.261	10,960,841		
Employment and Training Administration Pilots, Demonstrations, and Research Projects	17.261		105,258	Arlington County
Employment and Training Administration Pilots, Demonstrations, and Research Projects	17.261		315,195	Virginia Business Education
Employment and Training Administration Pilots, Demonstrations, and Research Projects	17.261		111,991	Virginia Business-Education Partnership
Occupational Safety and Health - State Program	17.503	2,904,861		
Consultation Agreements	17.504	906,216		
Mine Health and Safety Grants	17.600	263,187		
Other Assistance	17.000	7,942		
Other Assistance	17.000		16,809	Richmond Career Advancement
Total Excluding Clusters Identified Below		800,725,698	2,211,997	
Employment Services Cluster:				
Employment Service	17.207	19,983,089		
Employment Service	17.207		8,914	State of South Carolina LMI Institute
Disabled Veterans' Outreach Program (DVOP)	17.801	1,925,218		
Local Veterans' Employment Representative Program	17.804	1,227,240		
Total Employment Services Cluster		23,135,547	8,914	
JTPA Cluster:				
Employment and Training Assistance - Dislocated Workers	17.246	156,876		
Employment and Training Assistance - Dislocated Workers	17.246		(349)	Covington FDETC
Job Training Partnership Act	17.250	9,032,126		
Job Training Partnership Act	17.250		1,618,617	State of Maryland-Metrotech Base Funds
Total JTPA Cluster		9,189,002	1,618,268	
WIA Cluster:				
WIA Adult Program	17.258	12,955,488		
WIA Adult Program	17.258		2,274,050	Local Area One Stops
WIA Adult Program	17.258		44,672	Bay Consortium-PIC
WIA Adult Program	17.258		338,958	Bay Consortium-WIB
WIA Adult Program	17.258		434,826	Greater Peninsula Workforce Investment Board
WIA Adult Program	17.258		266,978	Thomas Jefferson Planning Commission
WIA Youth Activities	17.259	11,618,214		
WIA Youth Activities	17.259		29,982	Fifth District Training Consortium

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
WIA Youth Activities	17.259		2,603	People Inc. of Southwest Virginia
WIA Dislocated Workers	17.260	10,661,814		
WIA Dislocated Workers	17.260		2,154,810	Local Area One Stops
WIA Dislocated Workers	17.260		29,004	Greater Peninsula Workforce Development Consortium
WIA Dislocated Workers	17.260		125,131	Opportunity Inc.
WIA Dislocated Workers	17.260		290,460	Region 2000 Regional Commission
WIA Dislocated Workers	17.260		134,930	Thomas Jefferson Planning Commission
Total WIA Cluster		35,235,516	6,126,404	
Research and Development Cluster:				
WIA - Youth Activities	17.259	154,222		
Total U.S. Department of Labor		868,439,985	9,965,583	
U.S. DEPARTMENT OF STATE				
International Visitors Program	19.402	10,000		
College and University Partnerships Program	19.405	73,892		
College and University Partnerships Program	19.405		22,480	RONCO Consulting
Other Assistance	19.000	373,305		
Total Excluding Cluster Identified Below		457,197	22,480	
Research and Development Cluster:				
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	19.300	10,000		
Educational Partnerships Program	19.406	97,255		
Professional Exchanges - Annual Open Grant	19.415	63,761		
Total Research and Development Cluster		171,016		
Total U.S. Department of State		628,213	22,480	
U.S. DEPARTMENT OF TRANSPORTATION				
Boating Safety Financial Assistance	20.005	981,727		
Airport Improvement Program	20.106	575,442		
Highway Training and Education	20.215	48,844		
National Motor Carrier Safety	20.218	4,358,198		
Recreational Trails Program	20.219	887,890		
Railroad Safety	20.301	365,485		
Federal Transit - Metropolitan Planning Grants	20.505	1,255,838		
Formula Grants for Other Than Urbanized Areas	20.509	8,525,897		
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	1,468,713		
Transit Planning and Research	20.514	2,169		
Job Access - Reverse Commute	20.516	451,618		
Pipeline Safety	20.700	314,929		
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	227,307		
Historically Black Colleges and Universities - Entrepreneurial Training and Technical Assistance	20.907	(1,176)		
Historically Black Colleges and Universities - Entrepreneurial Training and Technical Assistance	20.907		36,404	South Carolina State University
Other Assistance:	20.000			
Alcohol Countermeasures (56091 & 57091)			52,218	District of Columbia
FY '92 Fatal Accident and Reporting System (53095)		23,673		
Intelligent Transportation System (ITS/CVISN)		2,384,235		
Motor Carrier Safety Action Project/Incentive Funds (57981)		1,911		
Section 154 Open Container Funds		1,686,638		
Section 164 Transfer Funds		757,958		
Section 2003B Child Passenger Funds		39,907		
Share the Road Safety Campaign-Technology Development		4,900		
Other		12,288		
Total Excluding Clusters Identified Below		24,374,391	88,622	
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	943,393,540		

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants	20.500	<u>3,359,803</u>		
Highway Safety Cluster:				
State and Community Highway Safety	20.600	3,975,500		
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	466,437		
Occupant Protection	20.602	292,396		
Federal Highway Safety Data Improvements Incentive Grants	20.603	125,698		
Safety Incentive Grants for Use of Seatbelts	20.604	620,687		
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	<u>1,811,597</u>		
Total Highway Safety Cluster		<u>7,292,315</u>		
Research and Development Cluster:				
Bridge Alteration	20.007	9,228		
Aviation Research Grants	20.108	491,683		
Air Transportation Centers of Excellence	20.109	49,499		
Highway Planning and Construction	20.205	1,500,318		
Highway Planning and Construction	20.205		33,857	Thomas Jefferson Planning District
Highway Planning and Construction	20.205		15,447	University of Maryland
Highway Training and Education	20.215	237,209		
Motor Carrier Safety	20.217	1,026,047		
Motor Carrier Safety	20.217		15,223	University of Maryland
Federal Transit Grants for University Research and Training	20.502	1,169		
Federal Transit Technical Assistance	20.512	(48,520)		
State Planning and Research	20.515	103,979		
State Planning and Research	20.515		33,313	Virginia Transportation Research Council
State and Community Highway Safety	20.600	480,781		
University Transportation Centers Program	20.701	1,765,595		
University Transportation Centers Program	20.701		118,508	Penn State University
Other Assistance:	20.000			
Other		3,397,434		
Other			72,316	Last Resource Inc.
Other			95,143	National Academy of Sciences
Other			27,429	PB Farradyne Inc.
Other			105,851	Penn State University
Other			15,155	Science Applications International
Other			4,792	University of California, Berkeley
Other			<u>4,547</u>	University of Iowa
Total Research and Development Cluster		<u>9,014,422</u>	<u>541,581</u>	
Total U.S. Department of Transportation		<u>987,434,471</u>	<u>630,203</u>	
APPALACHIAN REGIONAL COMMISSION				
Appalachian Regional Development	23.001	2,550,621		
Appalachian Regional Development	23.001		1,180	East Tennessee State University
Appalachian Area Development	23.002	92,748		
Appalachian State Research, Technical Assistance, and Demonstration Projects	23.011	13,650		
Appalachian State Research, Technical Assistance, and Demonstration Projects	23.011		16,640	Appalachian Regional Commission
Total Excluding Cluster Identified Below		<u>2,657,019</u>	<u>17,820</u>	
Highway Planning and Construction Cluster:				
Appalachian Development Highway System	23.003	<u>156,952</u>		
Research and Development Cluster:				
Other Assistance	23.000		<u>30,509</u>	University of South Florida
Total Appalachian Regional Commission		<u>2,813,971</u>	<u>48,329</u>	

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
OFFICE OF PERSONNEL MANAGEMENT				
Other Assistance	27.000	112,255		
Research and Development Cluster:				
Intergovernmental Personnel Act (IPA) Mobility Program	27.011	34,093		
Total Office of Personnel Management		146,348		
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	48,463		
GENERAL SERVICES ADMINISTRATION				
Disposal of Federal Surplus Real Property	39.002		43,915	Service Engineering Co.
Donation of Federal Surplus Personal Property	39.003	2,720,342		
Total Excluding Cluster Identified Below		2,720,342	43,915	
Research and Development Cluster:				
Other Assistance	39.000	334,186		
Total General Services Administration		3,054,528	43,915	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Aerospace Education Services Program	43.001	309,043		
Technology Transfer	43.002	75,155		
Other Assistance:	43.000			
Other		180,767		
Other			94,500	Technology Commercialization Center
Other			20,814	University of Alaska
Total Excluding Cluster Identified Below		564,965	115,314	
Research and Development Cluster:				
Aerospace Education Services Program	43.001	6,880,459		
Aerospace Education Services Program	43.001		8,142	Arizona State University
Aerospace Education Services Program	43.001		4,592	Harvard University
Aerospace Education Services Program	43.001		17,820	Howard University
Aerospace Education Services Program	43.001		56,483	Institute of Atmospheric Science
Aerospace Education Services Program	43.001		117,636	Ohio Research Institute
Aerospace Education Services Program	43.001		19,293	Old Dominion University Research Foundation
Aerospace Education Services Program	43.001		10,356	Pacific Health Research Institute
Aerospace Education Services Program	43.001		41,180	University of Arizona
Aerospace Education Services Program	43.001		125,789	University of Maryland
Aerospace Education Services Program	43.001		1,461	University of Michigan
Aerospace Education Services Program	43.001		28,270	University of New Hampshire
Aerospace Education Services Program	43.001		2,157	University of New Mexico
Aerospace Education Services Program	43.001		36,492	University of Oklahoma
Aerospace Education Services Program	43.001		338,142	Virginia Space Grant Consortium
Technology Transfer	43.002	419,007		
Technology Transfer	43.002		6,189	Clark University
Technology Transfer	43.002		11,163	Luna Innovations Inc.
Technology Transfer	43.002		67,496	Virginia Space Grant Consortium
Other Assistance:	43.000			
Other		11,500,038		
Other			69,999	AGATE Alliance Association Inc.
Other			15,893	Imlach Consulting Engineering
Other			19,400	Jet Propulsion Laboratory
Other			68,244	Luna Innovations Inc.
Other			78,699	Nanosonic Inc.
Other			2,423	Prime Photonics Inc.
Other			26,506	Scientific Systems Inc.
Other			2,767	Technology in Blacksburg Inc.
Other			3,210	University of Georgia
Other			373,888	University of New Orleans
Total Research and Development Cluster		18,799,504	1,553,690	
Total National Aeronautics and Space Administration		19,364,469	1,669,004	

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Promotion of the Arts - Grants to Organizations and Individuals	45.024	113,402		
Promotion of the Arts - Partnership Agreements	45.025	541,700		
Promotion of the Humanities - Federal/State Partnership	45.129	3,000		
Promotion of the Humanities - Federal/State Partnership	45.129		9,686	Virginia Foundation for Humanities
Promotion of the Humanities - Challenge Grants	45.130	4,473		
Promotion of the Humanities - Division of Preservation and Access	45.149	548,157		
Promotion of the Humanities - Fellowships and Stipends	45.160	7,129		
Promotion of the Humanities - Research	45.161	3,407		
Promotion of the Humanities - Education Development and Demonstration	45.162	92,621		
Promotion of the Humanities - Public Programs	45.164	165		
Promotion of the Humanities - Extending the Reach Grants to Presidentially-Designated Minority Institutions	45.167	28,978		
Institute of Museum and Library Services	45.301	16,765		
Museum Assessment Program	45.302	22,562		
Conservation Assessment Program	45.304	1,150		
State Library Program	45.310	3,420,184		
Other Assistance	45.000	35,000		
Total Excluding Cluster Identified Below		4,838,693	9,686	
Research and Development Cluster:				
Promotion of the Humanities - Federal/State Partnership	45.129	3,940		
Promotion of the Humanities - Fellowships and Stipends	45.160	(3,710)		
Promotion of the Humanities - Research	45.161	505,140		
Promotion of the Humanities - Education Development and Demonstration	45.162	201,321		
Promotion of the Humanities - Seminars and Institutes	45.163	125,036		
Institute of Museum and Library Services - National Leadership Grants	45.312	146,590		
Other Assistance	45.000	17,880		
Total Research and Development Cluster		996,197		
Total National Foundation on the Arts and the Humanities		5,834,890	9,686	
NATIONAL SCIENCE FOUNDATION				
Engineering Grants	47.041	56,540		
Engineering Grants	47.041		51,922	University of California, Berkeley
Engineering Grants	47.041		285,167	University of Florida
Mathematical and Physical Sciences	47.049	249,459		
Geosciences	47.050		13,231	University of Minnesota
Biological Sciences	47.074	52,635		
Social, Behavioral, and Economic Sciences	47.075	26,562		
Education and Human Resources	47.076	2,081,103		
Education and Human Resources	47.076		43,459	Howard University
Education and Human Resources	47.076		3,918	North Carolina A&T University
Education and Human Resources	47.076		76,225	North Dakota Center for Person w/Disabilities
Other Assistance	47.000	53,067		
Total Excluding Cluster Identified Below		2,519,366	473,922	
Research and Development Cluster:				
Engineering Grants	47.041	11,833,146		
Engineering Grants	47.041		150,556	American Council of Learned Societies
Engineering Grants	47.041		14,781	Clemson University
Engineering Grants	47.041		16,569	Directed Technologies Inc.
Engineering Grants	47.041		32,332	E-Numerate Solutions Inc.
Engineering Grants	47.041		14,484	George Washington University
Engineering Grants	47.041		18,324	Hampton University
Engineering Grants	47.041		15,357	Health Research Inc.
Engineering Grants	47.041		12,908	Johns Hopkins University
Engineering Grants	47.041		49,311	Luna Innovations Inc.
Engineering Grants	47.041		23,651	Nanopowder Enterprises Inc.
Engineering Grants	47.041		16,079	Nanosonic Inc.
Engineering Grants	47.041		5,180	Ohio University
Engineering Grants	47.041		6,796	Old Dominion University Research Foundation

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Engineering Grants	47.041		36,464	Penn State University
Engineering Grants	47.041		26,503	The Research Foundation of State University of New York
Engineering Grants	47.041		(19)	The University of North Carolina at Charlotte
Engineering Grants	47.041		20,170	University of Central Florida
Engineering Grants	47.041		21,020	University of Illinois
Engineering Grants	47.041		13,488	University of Southern California
Mathematical and Physical Sciences	47.049	8,961,034		
Mathematical and Physical Sciences	47.049		4,281	American Mathematical Society
Mathematical and Physical Sciences	47.049		4,705	Lockheed Martin Tactical Communication
Mathematical and Physical Sciences	47.049		89,461	Luna Innovations Inc.
Mathematical and Physical Sciences	47.049		92,631	Michigan Technological University
Mathematical and Physical Sciences	47.049		36,639	University of Georgia
Mathematical and Physical Sciences	47.049		6,610	University of Massachusetts
Mathematical and Physical Sciences	47.049		4,872	University of South Carolina
Geosciences	47.050	3,054,345		
Geosciences	47.050		98,355	University of Alaska
Geosciences	47.050		13,448	University of Arizona
Computer and Information Science and Engineering	47.070	4,942,881		
Computer and Information Science and Engineering	47.070		41,126	Carnegie Mellon University
Computer and Information Science and Engineering	47.070		27,463	Clemson University
Computer and Information Science and Engineering	47.070		107,250	Cornell University
Computer and Information Science and Engineering	47.070		37,951	Georgia Institute of Technology
Computer and Information Science and Engineering	47.070		121,612	Purdue University
Computer and Information Science and Engineering	47.070		283,863	University of California
Computer and Information Science and Engineering	47.070		37,118	University of Minnesota
Computer and Information Science and Engineering	47.070		33,989	University of North Carolina at Wilmington
Biological Sciences	47.074	6,612,450		
Biological Sciences	47.074		29,499	Florida International University
Biological Sciences	47.074		3,072	SUNY at Cortland
Biological Sciences	47.074		67,274	University of Texas at Austin
Social, Behavioral, and Economic Sciences	47.075	1,618,602		
Social, Behavioral, and Economic Sciences	47.075		23,602	Columbia University
Social, Behavioral, and Economic Sciences	47.075		26,576	Stanford University
Education and Human Resources	47.076	4,226,167		
Education and Human Resources	47.076		5,000	Association of American Colleges
Education and Human Resources	47.076		167,242	City of Richmond
Education and Human Resources	47.076		3,267	Clemson University
Education and Human Resources	47.076		77,892	Kentucky Science & Tech. Corp.
Education and Human Resources	47.076		14,992	University of Arizona
Polar Programs	47.078	341,229		
Other Assistance:	47.000			
Other		806,047		
Other			21,278	City of Newport News
Other			61,760	Rutgers, The State University of New York
Other			41,251	The Research Foundation of State University of New York
Total Research and Development Cluster		42,395,901	2,078,033	
Total National Science Foundation		44,915,267	2,551,955	

SMALL BUSINESS ADMINISTRATION

Small Business Development Center	59.037	1,976,938	
Microloan Demonstration Program	59.046	144,575	
Other Assistance	59.000	401,125	
Total Excluding Cluster Identified Below		2,522,638	
Research and Development Cluster:			
Small Business Development Center	59.037	181,387	
Total Small Business Administration		2,704,025	

TENNESSEE VALLEY AUTHORITY

Research and Development Cluster:			
Other Assistance	62.000	(4)	

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
U.S. DEPARTMENT OF VETERANS AFFAIRS				
Veterans State Hospital Care	64.016	32,825		
All-Volunteer Force Educational Assistance	64.124	403,232		
Other Assistance	64.000	110,546		
Total Excluding Cluster Identified Below		546,603		
Research and Development Cluster:				
Veterans State Hospital Care	64.016	58,330		
Total U.S. Department of Veterans Affairs		604,933		
ENVIRONMENTAL PROTECTION AGENCY				
Air Pollution Control Program Support	66.001	2,542,890		
State Indoor Radon Grants	66.032	64,349		
Water Pollution Control - State and Interstate Program Support	66.419	2,955,376		
State Public Water System Supervision	66.432	1,805,413		
Water Quality Management Planning	66.454	385,702		
Capitalization Grants for State Revolving Funds	66.458	40,841,139		
Nonpoint Source Implementation Grants	66.460	3,116,785		
Wetlands Grants	66.461	53,329		
Water Quality Cooperative Agreements	66.463	75,648		
Chesapeake Bay Program	66.466	3,776,627		
Wastewater Operator Training Grant Program (Technical Assistance)	66.467	46,638		
Capitalization Grants for Drinking Water State Revolving Fund	66.468	24,357,011		
Beach Monitoring and Notification Program Development Grants	66.472	2,392		
Environmental Protection - Consolidated Research	66.500	164,240		
Environmental Justice Grants to Small Community Groups	66.604	(493)		
Performance Partnership Grants	66.605	649,186		
Surveys, Studies, Investigations and Special Purpose Grants	66.606	629,561		
Training and Fellowships for the Environmental Protection Agency	66.607	8,584		
One Stop Reporting	66.608	(63,488)		
TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals	66.707	261,985		
Pollution Prevention Grants Program	66.708	94,129		
Hazardous Waste Management State Program Support	66.801	1,832,422		
Superfund State Site - Specific Cooperative Agreements	66.802	516,054		
State and Tribal Underground Storage Tanks Program	66.804	238,367		
Leaking Underground Storage Tank Trust Fund Program	66.805	1,481,945		
Superfund State Core Program Cooperative Agreements	66.809	360,206		
Environmental Education and Training Program	66.950	16,839		
Environmental Education Grants	66.951	21,091		
Total Excluding Cluster Identified Below		86,233,927		
Research and Development Cluster:				
Water Pollution Control - State and Interstate Program Support	66.419	201,032		
Water Quality Management Planning	66.454	160,002		
Water Quality Management Planning	66.454		24,689	Maryland Department of the Environment
Water Quality Management Planning	66.454		707	Thomas Jefferson Planning District
Nonpoint Source Implementation Grants	66.460	167,723		
Wetlands Grants	66.461	419,965		
Water Quality Cooperative Agreements	66.463	1,445		
Chesapeake Bay Program	66.466	841,347		
Chesapeake Bay Program	66.466		37,824	University of Maryland
Environmental Protection - Consolidated Research	66.500	1,255,141		
Environmental Protection - Consolidated Research	66.500		57,782	North Carolina State University
Environmental Protection - Consolidated Research	66.500		83,818	Purdue University
Environmental Protection - Consolidated Research	66.500		3,342	QST Environmental Inc.
Environmental Protection Consolidated Grants - Program Support	66.600	105,441		
Environmental Protection Consolidated Grants - Program Support	66.600		3,649	HDR Engineering Inc.
Surveys, Studies, Investigations and Special Purpose Grants	66.606	34,361		
Training and Fellowships for the Environmental Protection Agency	66.607	11,278		
Training and Fellowships for the Environmental Protection Agency	66.607		1,750	University of Alabama
Environmental Education Grants	66.951	420		
Other Assistance	66.000	19,724		
Total Research and Development Cluster		3,217,879	213,561	
Total Environmental Protection Agency		89,451,806	213,561	

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
NUCLEAR REGULATORY COMMISSION				
Research and Development Cluster:				
Radiation Control - Training Assistance and Advisory Counseling	77.001	251,727		
U.S. DEPARTMENT OF ENERGY				
State Energy Program	81.041	768,622		
Weatherization Assistance for Low-Income Persons	81.042	4,073,832		
Office of Science Financial Assistance Program	81.049		61,606	Southeastern University Research Association Inc.
Office of Scientific and Technical Information	81.064	91,018		
Renewable Energy Research and Development	81.087	1,386,913		
State Energy Program Special Projects	81.119	266,480		
Other Assistance:	81.000			
Other		(442,077)		
Other			493,454	Jefferson Labs
Other			19,963	Krell Institute
Other			401,379	Southeastern University Research Association Inc.
Other			20,735	Vanderbilt University
Total Excluding Cluster Identified Below		6,144,788	997,137	
Research and Development Cluster:				
Granting of Patent Licenses	81.003		112,190	Airak Inc.
Granting of Patent Licenses	81.003		40,781	Lawrence Livermore National Laboratory
Inventions and Innovations	81.036	60,626		
National Energy Information Center	81.039		10,320	Battelle
National Energy Information Center	81.039		36,560	Oak Ridge National Laboratory
National Energy Information Center	81.039		393,366	UT Battelle LLC
State Energy Program	81.041	22,497		
Office of Science Financial Assistance Program	81.049	5,915,026		
Office of Science Financial Assistance Program	81.049		22,261	Annovis Inc.
Office of Science Financial Assistance Program	81.049		8,000	Brookhaven National Laboratory
Office of Science Financial Assistance Program	81.049		27,177	Foresters Inc.
Office of Science Financial Assistance Program	81.049		15,751	Indiana University
Office of Science Financial Assistance Program	81.049		11,032	Pacific Northwest National Laboratory
Office of Science Financial Assistance Program	81.049		48,801	Penn State University
Office of Science Financial Assistance Program	81.049		39,255	University of Alabama
Office of Science Financial Assistance Program	81.049			(4) University of Minnesota Twin Cities
University Coal Research	81.057	176,599		
Office of Scientific and Technical Information	81.064	289,088		
Office of Scientific and Technical Information	81.064		36,336	Foster Miller Inc.
Office of Scientific and Technical Information	81.064		1,798	Lawrence Livermore National Laboratory
Office of Scientific and Technical Information	81.064		71,922	Los Alamos National Laboratory
Office of Scientific and Technical Information	81.064		764	Rensselaer Polytechnic Institute
Office of Scientific and Technical Information	81.064		180,516	Sandia National Laboratories
Regional Biomass Energy Programs	81.079	95,150		
Conservation Research and Development	81.086	549,773		
Renewable Energy Research and Development	81.087	859		
Renewable Energy Research and Development	81.087		59,547	National Renewable Energy Laboratory
Renewable Energy Research and Development	81.087		92,379	Thomas Jefferson National Accelerator Facility
Renewable Energy Research and Development	81.087		32,137	University of California, Berkeley
Renewable Energy Research and Development	81.087		323,531	URS Corporation
Fossil Energy Research and Development	81.089	546,239		
Fossil Energy Research and Development	81.089		34,836	Clemson University
Fossil Energy Research and Development	81.089		44,886	University of Cincinnati
Fossil Energy Research and Development	81.089		14,386	UT Battelle LLC
Office of Science and Technology for Environmental Management	81.104	80,044		
Office of Science and Technology for Environmental Management	81.104		15	Bechtel BWXT
National Industrial Competitiveness through Energy, Environment, and Economics	81.105		24,690	University of Washington
National Industrial Competitiveness through Energy, Environment, and Economics	81.105		61,207	Wackenhut Services Inc.
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	53,090		

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Other Assistance:	81.000			
Other		999,841		
Other			31,684	Airak Inc.
Other			37,552	Argonne National Laboratory
Other			770,314	Atkins Benham Constructors
Other			37,949	Battelle
Other			29,738	CEBAF
Other			65,869	Clemson University Research Foundation
Other			30,367	Honeywell Advanced Composites Inc
Other			26,519	Los Alamos National Laboratory
Other			19,280	McDermott Technology Inc
Other			27,192	Mississippi State University
Other			7,657	Nanosonic Inc
Other			52,847	National Renewable Energy Laboratory
Other			54,189	Oak Ridge National Laboratory
Other			251,613	Pacific Northwest National Laboratory
Other			91,342	University of Texas at Austin
Other			46,992	VPT Inc
Other			395,120	Wackenhut Services Inc
Total Research and Development Cluster		8,788,832	3,720,664	
Total U.S. Department of Energy		14,933,620	4,717,801	

FEDERAL EMERGENCY MANAGEMENT AGENCY

Hazardous Materials Assistance Program	83.012	7,000		
Community Assistance Program - State Support				
Services Element (CAP-SSSE)	83.105	71,900		
Flood Mitigation Assistance	83.536	442,924		
Crisis Counseling	83.539	1,327,951		
Fire Suppression Assistance	83.542	19,179		
Individual and Family Grants	83.543	1,939,306		
Public Assistance Grants	83.544	13,205,449		
First Responder Counter-Terrorism Training Assistance	83.547	22,191		
Hazard Mitigation Grant	83.548	3,922,967		
Emergency Management Performance Grants	83.552	3,017,414		
Total Excluding Cluster Identified Below		23,976,281		
Research and Development Cluster:				
National Fire Academy Educational Program	83.010	62,101		
Flood Mitigation Assistance	83.536	273,434		
Individual and Family Grants	83.543	50,915		
Other Assistance	83.000		8,574	National Institute of Building Sciences
Total Research and Development Cluster		386,450	8,574	
Total Federal Emergency Management Agency		24,362,731	8,574	

U.S. DEPARTMENT OF EDUCATION

Adult Education - State Grant Program	84.002	11,177,454		
Adult Education - State Grant Program	84.002		3,273	Massanutton Tech Center
Adult Education - State Grant Program	84.002		80,038	Pulaski County ABE
Adult Education - State Grant Program	84.002		16,369	Pulaski County Jail
Adult Education - State Grant Program	84.002		1,500	Workforce Improvement Network
Title I Grants to Local Educational Agencies	84.010	132,594,365		
Migrant Education - Basic State Grant Program	84.011	882,655		
Title I Program for Neglected and Delinquent Children	84.013	1,060,881		
Undergraduate International Studies and Foreign Language Programs	84.016	84,441		
International: Overseas - Faculty Research Abroad	84.019	59,336		
International: Overseas - Group Projects Abroad	84.021	51,319		
Higher Education - Institutional Aid	84.031	5,530,336		
Vocational Education - Basic Grants to States	84.048	30,857,958		
Leveraging Educational Assistance Partnership	84.069	1,457,843		
Fund for the Improvement of Postsecondary Education	84.116	238,830		
Fund for the Improvement of Postsecondary Education	84.116		11,339	Education Communications Foundation
Fund for the Improvement of Postsecondary Education	84.116		12,871	Florida Community College Jacksonville
Fund for the Improvement of Postsecondary Education	84.116		22,319	University of Maryland
Minority Science and Engineering Improvement	84.120	37,253		
Minority Science and Engineering Improvement	84.120		23,869	Howard University
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	60,455,017		

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Rehabilitation Services - Service Projects	84.128	286,041		
Rehabilitation Long-Term Training	84.129	299,154		
College Housing and Academic Facilities Loans	84.142	12,821,382		
Business and International Education Projects	84.153	36,188		
Business and International Education Projects	84.153		12,242	Montana State University
Rehabilitation Services - Client Assistance Program	84.161	262,692		
Immigrant Education	84.162	1,254,436		
Eisenhower Professional Development - Federal Activities	84.168	124,407		
Independent Living - State Grants	84.169	459,733		
Javits Fellowships	84.170	177,480		
Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	84.177	526,578		
Special Education - Grants for Infants and Families with Disabilities	84.181	9,900,916		
Safe and Drug-Free Schools and Communities - National Programs	84.184	429,796		
Byrd Honors Scholarships	84.185	914,896		
Safe and Drug-Free Schools and Communities - State Grants	84.186	7,816,187		
Supported Employment Services for Individuals with Severe Disabilities	84.187	808,677		
Bilingual Education Support Services	84.194	78,092		
Bilingual Education - Professional Development	84.195	702,628		
Graduate Assistance in Areas of National Need	84.200	368,215		
Javits Gifted and Talented Students Education Grant Program	84.206	166,672		
Even Start - State Educational Agencies	84.213	2,152,740		
Fund for the Improvement of Education	84.215	1,145,388		
Fund for the Improvement of Education	84.215		31,434	Council of Chief School Officers
Fund for the Improvement of Education	84.215		34,514	University of New Orleans
Assistive Technology	84.224	2,859,800		
Rehabilitation Services Demonstration and Training - Special Demonstration Programs	84.235	100,004		
Rehabilitation Services Demonstration and Training - Special Demonstration Programs	84.235		61,664	ServiceSource
Program of Protection and Advocacy of Individual Rights	84.240	317,596		
Tech-Prep Education	84.243	2,650,033		
Tech-Prep Education	84.243		60,265	Localities
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	84.265	134,533		
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	5,974,195		
Eisenhower Professional Development State Grants	84.281	6,064,453		
Charter Schools	84.282	201,487		
Innovative Education Program Strategies	84.298	8,073,211		
Even Start - Statewide Family Literacy Program	84.314	55,883		
Technology Literacy Challenge Fund Grants	84.318	6,837,346		
Special Education - State Program Improvement Grants for Children with Disabilities	84.323	1,003,957		
Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities	84.324		36,721	Howard University
Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities	84.324		32,985	University of Tennessee
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	803,394		
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	300,625		
Special Education - Technology and Media Services for Individuals with Disabilities	84.327	278,019		
Advanced Placement Incentive Program	84.330	32,540		
Grants to States for Incarcerated Youth Offenders	84.331	380,453		
Comprehensive School Reform Demonstration	84.332	2,116,563		
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	84.333	274,206		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	2,370,468		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		9,141	Richmond Public Schools
Child Care Access Means Parents in School	84.335	179,707		
Teacher Quality Enhancement Grants	84.336	308,340		
Teacher Quality Enhancement Grants	84.336		63,088	Western Kentucky University
Reading Excellence	84.338	3,666,246		
Reading Excellence	84.338		31,923	Accomack County Schools
Learning Anytime Anywhere Partnerships	84.339	235,321		
Class Size Reduction	84.340	22,079,206		
Community Technology Centers	84.341	339,380		
Preparing Tomorrow's Teachers to Use Technology	84.342	1,268,486		
Preparing Tomorrow's Teachers to Use Technology	84.342		22,680	University of Northern Iowa
Assistive Technology - State Grants for Protection and Advocacy	84.343	35,001		
TRIO - Dissemination Partnership Grants	84.344	174,287		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Occupational and Employment Information State Grants	84.346	107,640		
Title I Accountability Grants	84.348	1,822,421		
Grants for School Repair and Renovation	84.352	458,160		
Other Assistance:	84.000			
Supplemental Leveraging Educational Assistance Partnership		8,000		
Other		912,172		
Other			3,852	Central Susquehanna
Other			14,675	National Writing Project
Other			17,193	University of California
Other			6,897	William Carey College
Total Excluding Clusters Identified Below		357,643,119	610,852	
Student Financial Assistance Programs Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	8,911,626		
Federal Family Education Loans	84.032	123,297,188		
Federal Work-Study Program	84.033	11,161,225		
Federal Perkins Loan Program - Federal Capital Contributions	84.038	74,457,040		
Federal Pell Grant Program	84.063	130,567,205		
Federal Direct Loan	84.268	334,238,545		
Total Student Financial Assistance Programs Cluster		682,632,829		
Special Education Cluster:				
Special Education - Grants to States	84.027	144,706,569		
Special Education - Preschool Grants	84.173	9,031,693		
Total Special Education Cluster		153,738,262		
TRIO Cluster:				
TRIO - Student Support Services	84.042	4,074,003		
TRIO - Talent Search	84.044	2,195,626		
TRIO - Upward Bound	84.047	4,629,861		
TRIO - Educational Opportunity Centers	84.066	1,314		
McNair Post-Baccalaureate Achievement	84.217	224,269		
Total TRIO Cluster		11,125,073		
Research and Development Cluster:				
National Resource Centers and Fellowships Program for Language and				
Area or Language and International Studies	84.015	463,069		
International Research and Studies	84.017	237,693		
International: Overseas - Faculty Research Abroad	84.019	57,624		
International: Overseas - Group Projects Abroad	84.021	77,553		
International: Overseas - Doctoral Dissertation	84.022	40,299		
Special Education - Grants to States	84.027	236,059		
Special Education - Grants to States	84.027		401,106	University of Connecticut
Higher Education - Institutional Aid	84.031	751,341		
Fund for the Improvement of Postsecondary Education	84.116	139,096		
Fund for the Improvement of Postsecondary Education	84.116		1,294	University of Texas at Austin
Minority Science and Engineering Improvement	84.120	203,203		
National Institute on Disability and Rehabilitation Research	84.133	1,551,609		
National Institute on Disability and Rehabilitation Research	84.133		76,772	University of Hawaii
National Institute on Disability and Rehabilitation Research	84.133		753,517	University of North Carolina - Chapel Hill
National Institute on Disability and Rehabilitation Research	84.133		15,857	University of Pittsburgh
Eisenhower Professional Development - Federal Activities	84.168	78,472		
Javits Fellowships	84.170	1,488		
Special Education - Preschool Grants	84.173	734,838		
Safe and Drug-Free Schools and Communities - National Programs	84.184	18,680		
Safe and Drug-Free Schools and Communities - State Grants	84.186	7,352		
Education for Homeless Children and Youth	84.196	518,107		
Graduate Assistance in Areas of National Need	84.200	179,227		
Javits Gifted and Talented Students Education Grant Program	84.206	73,412		
Assistive Technology	84.224	90,541		
Rehabilitation Services Demonstration and Training-Special				
Demonstration Programs	84.235	340,536		
Eisenhower Professional Development State Grants	84.281	102,359		
Innovative Education Program Strategies	84.298	113,985		
Special Education - State Program Improvement Grants for				
Children with Disabilities	84.323	285,028		
Special Education - Research and Innovation to Improve				
Services and Results for Children with Disabilities	84.324	716,039		

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	461,474		
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	356,637		
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326		4,247	University of Kentucky
Special Education - Technology and Media Services for Individuals with Disabilities	84.327	195,252		
Preparing Tomorrow's Teachers to Use Technology	84.342	2,071,457		
Other Assistance	84.000		1,368	Nanosonic Inc.
Total Research and Development Cluster		10,102,430	1,254,161	
Total U.S. Department of Education		1,215,241,713	1,865,013	

U.S. NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

National Historical Publications and Records Grants	89.003	1,391		
Research and Development Cluster:				
National Historical Publications and Records Grants	89.003	371,972		
Total U.S. National Archives and Records Administration		373,363		

U.S. INSTITUTE OF PEACE

Research and Development Cluster:				
Unsolicited Grant Program	91.001	23,635		
Solicited Grant Program	91.002	31,166		
Total Research and Development Cluster		54,801		

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Health and Social Services Emergency Fund	93.003	1,245,794		
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	93,739		
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	174,796		
Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	507,249		
Special Programs for the Aging - Title IV - Training, Research and Discretionary Projects and Programs	93.048	431,364		
New Demonstration Grants to States with Respect to Alzheimer's Disease	93.051	70,874		
Nation Family Caregiver Support Program	93.052	2,467,984		
Model State-Supported Area Health Education Centers	93.107	639,264		
Maternal and Child Health Federal Consolidated Programs	93.110	225,629		
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1,158,741		
Nurse Anesthetist Traineeships	93.124	48,678		
Emergency Medical Services for Children	93.127	238,668		
Primary Care Services - Resource Coordination and Development - Primary Care Offices	93.130	132,763		
Primary Care Services - Resource Coordination and Development - Primary Care Offices	93.130		127,442	Dartmouth College
Injury Prevention and Control Research and State and Community Based Programs	93.136	568,549		
Protection and Advocacy for Individuals with Mental Illness	93.138	468,049		
AIDS Education and Training Centers	93.145		10,153	Faithful Intervention
AIDS Education and Training Centers	93.145		8,214	Retozon Group
AIDS Education and Training Centers	93.145		210,713	University of Pittsburgh
Projects for Assistance in Transition from Homelessness (PATH)	93.150	690,040		
Centers of Excellence	93.157		10,000	Howard University
Grants for State Loan Repayment	93.165	42,500		
Nursing Workforce Diversity	93.178	115,435		
Disabilities Prevention	93.184	1,633		
National Research Services Awards	93.186	95,549		
Allied Health Projects	93.191	111,164		
Quentin N. Burdick Programs for Rural Interdisciplinary Training	93.192	180,942		

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	719,763		
Family Planning - Services	93.217	3,469,780		
Consolidated Knowledge Development and Application (KD&A) Program	93.230	1,712,194		
Traumatic Brain Injury - State Demonstration Grant Program	93.234	39,879		
Abstinence Education	93.235	904,224		
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238	107,467		
State Rural Hospital Flexibility Program	93.241	104,595		
Mental Health Research Grants	93.242	36,659		
Advanced Education Nursing Grant Program	93.247	88,057		
Universal Newborn Hearing Screening	93.251	93,377		
Community Access Program	93.252	64,737		
National Poison Control Systems Stabilization and Support	93.253	57,201		
Immunization Grants	93.268	15,038,766		
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	93.277	198,571		
Drug Abuse Research Programs	93.279	442		
Mental Health Research Career/Scientist Development Awards	93.281	19,634		
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	4,335,488		
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		34,700	Bon Secour
Advanced Education Nursing Traineeships	93.358	261,689		
Basic Nurse Education and Practice Grants	93.359	263,454		
Research Infrastructure	93.389	44,864		
Academic Research Enhancement Award	93.390	34,345		
Promoting Safe and Stable Families	93.556	6,449,178		
Temporary Assistance for Needy Families	93.558	130,815,233		
Temporary Assistance for Needy Families	93.558		149,087	City of Charlottesville
Temporary Assistance for Needy Families	93.558		200,321	City of Norfolk
Child Support Enforcement	93.563	51,361,564		
Refugee and Entrant Assistance - State Administered Programs	93.566	6,168,016		
Low-Income Home Energy Assistance	93.568	34,197,606		
Community Services Block Grant	93.569	9,405,914		
Community Services Block Grant - Discretionary Awards	93.570	130,143		
Community Services Block Grant - Discretionary Awards	93.570		62,176	National Youth Sports Corp
Community Services Block Grant - Discretionary Awards	93.570		18,926	NCAA
Community Services Block Grant Discretionary Awards - Community Food and Nutrition	93.571	62,859		
Refugee and Entrant Assistance - Discretionary Grants	93.576	523,604		
Refugee and Entrant Assistance - Wilson/Fish Programs	93.583	380,446		
Refugee and Entrant Assistance - Targeted Assistance	93.584	687,136		
State Court Improvement Program	93.586	174,927		
Community Based Family Resource and Support Grants	93.590	30,248		
Welfare Reform Research, Evaluations and National Studies	93.595	(5,569)		
Grants to States for Access and Visitation Programs	93.597	162,819		
Head Start	93.600	272,238		
Head Start	93.600		1,091,750	Richmond Public Schools
Adoption Incentive Payments	93.603	92,864		
Developmental Disabilities Basic Support and Advocacy Grants	93.630	1,792,962		
Developmental Disabilities Basic Support and Advocacy Grants	93.630		4,006	Virginia Board for People with Disabilities
Developmental Disabilities Projects of National Significance	93.631	82,429		
Developmental Disabilities University Affiliated Programs	93.632	352,715		
Children's Justice Grants to States	93.643	233,514		
Child Welfare Services - State Grants	93.645	10,179,562		
Child Welfare Services Training Grants	93.648	51,969		
Adoption Opportunities	93.652	35,572		
Foster Care - Title IV-E	93.658	75,083,905		
Adoption Assistance	93.659	13,246,886		
Social Services Block Grant	93.667	56,631,918		
Child Abuse and Neglect State Grants	93.669	593,408		
Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	93.671	1,752,492		
Independent Living	93.674	1,513,204		
State Children's Insurance Program	93.767	33,358,011		
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93.768	57,770		
Health Care Financing Research, Demonstrations and Evaluations	93.779	331,841		
Health Careers Opportunity Program	93.822	418,664		

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Basic/Core Area Health Education Centers	93.824		1,909	Southwest Virginia Area Health Education Center
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	37,931		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		629	University of Pittsburgh
Allergy, Immunology and Transplantation Research	93.855	11,042		
Medical Library Assistance	93.879	152,609		
Project Grants for Renovation or Construction of Non-Acute Health Care Facilities and Other Facilities	93.887	802,302		
Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	93.896	121,547		
Rural Health Outreach and Rural Network Development Program	93.912	229,177		
Grants to States for Operation of Offices of Rural Health	93.913	77,214		
HIV Care Formula Grants	93.917	13,612,659		
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	434,378		
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	964,422		
Healthy Start Initiative	93.926	1,070,265		
Health Centers Grants for Residents of Public Housing	93.927	97,758		
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	437,159		
HIV Prevention Activities - Health Department Based	93.940	4,707,771		
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	564,542		
Assistance Program for Chronic Disease Prevention and Control	93.945	1,400,225		
Block Grants for Community Mental Health Services	93.958	8,990,122		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	43,897,566		
Special Minority Initiatives	93.960	195,255		
Special Minority Initiatives	93.960		11,885	Hampton University
Health Administration Traineeships and Special Projects Program	93.962	51,460		
Grants for Geriatric Education Centers	93.969	228,208		
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	1,724,802		
Mental Health Disaster Assistance and Emergency Mental Health	93.982	2,251,775		
Academic Administrative Units in Primary Care	93.984	119,806		
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	257,596		
Preventive Health and Health Services Block Grant	93.991	2,941,562		
Maternal and Child Health Services Block Grant to the States	93.994	10,364,149		
Other Assistance	93.000	1,625,958		
Total Excluding Clusters Identified Below		571,299,898	1,941,911	
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	9,595,777		
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	9,164,361		
Total Aging Cluster		18,760,138		
Student Financial Assistance Programs Cluster:				
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	8,539,267		
Nursing Student Loans	93.364	1,901,503		
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	153,286		
Total Student Financial Assistance Programs Cluster		10,594,056		
Child Care Cluster:				
Child Care and Development Block Grant	93.575	65,902,289		
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	47,899,883		
Total Child Care Cluster		113,802,172		
Medicaid Cluster:				
Medicaid Fraud Control Units	93.775	805,108		
State Survey and Certification of Health Care Providers and Suppliers	93.777	4,413,638		
Medical Assistance Program	93.778	2,019,467,885		
Total Medicaid Cluster		2,024,686,631		

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Research and Development Cluster:				
Food and Drug Administration - Research	93.103	21,166		
Food and Drug Administration - Research	93.103		94,692	Iowa State University
Food and Drug Administration - Research	93.103		259	Johns Hopkins University
Maternal and Child Health Federal Consolidated Programs	93.110	408,080		
Maternal and Child Health Federal Consolidated Programs	93.110		31,579	University of Pennsylvania
Biological Response to Environmental Health Hazards	93.113	909,311		
Biological Response to Environmental Health Hazards	93.113		19,226	Michigan State University
Biometry and Risk Estimation - Health Risks from Environmental Exposures	93.115		179,712	Georgia Institute of Technology
Oral Diseases and Disorders Research	93.121	3,143,026		
Oral Diseases and Disorders Research	93.121		24,770	Boston University School of Medicine
Oral Diseases and Disorders Research	93.121		156,175	Ohio University
Oral Diseases and Disorders Research	93.121		15,678	University of Iowa
Oral Diseases and Disorders Research	93.121		29,058	University of Texas at Austin
Technical and Non-Financial Assistance to Health Centers and National Health Service Corps (NHSC) Delivery Sites	93.129	29,185		
Grants to Increase Organ Donations	93.134		31,683	Lifenet
Injury Prevention and Control Research and State and Community Based Programs	93.136	1,251,648		
Demonstration Grants for the Prevention of Alcohol and Drug Abuse - Among High-Risk Populations	93.144	11,939		
Demonstration Grants for the Prevention of Alcohol and Drug Abuse - Among High-Risk Populations	93.144		21,304	University of California
Coordinated HIV Services and Access to Research for Children, Youth, Women, and Families	93.153	240,242		
International Cooperative Biodiversity Groups Program	93.168	689,741		
Human Genome Research	93.172	872,410		
Human Genome Research	93.172		40,797	University of Washington
Research Related to Deafness and Communication Disorders	93.173	4,174,567		
Research Related to Deafness and Communication Disorders	93.173		28,484	For Medical Sciences, Inc.
Research Related to Deafness and Communication Disorders	93.173		25,154	Northwestern University
Research and Training in Complementary and Alternative Medicine	93.213	2,027,214		
Research on Healthcare Costs, Quality and Outcomes	93.226	549,572		
Research on Healthcare Costs, Quality and Outcomes	93.226		5,505	Brown University
Research on Healthcare Costs, Quality and Outcomes	93.226		72,412	University of North Carolina - Chapel Hill
Consolidated Knowledge Development and Application (KD&A) Program	93.230	1,603,239		
Mental Health Research Grants	93.242	5,540,403		
Mental Health Research Grants	93.242		48,723	Carnegie Mellon University
Mental Health Research Grants	93.242		101,197	Duke University
Mental Health Research Grants	93.242		25,522	Florida International University
Mental Health Research Grants	93.242		195,687	Harvard University
Mental Health Research Grants	93.242		99,670	UCLA
Mental Health Research Grants	93.242		3,065	University of California
Mental Health Research Grants	93.242		144,191	University of Pennsylvania
Mental Health Research Grants	93.242		20,059	University of Pittsburgh
Mental Health Research Grants	93.242		12,009	Washington State University
Occupational Safety and Health Research Grants	93.262	189,510		
Occupational Safety and Health - Training Grants	93.263	986		
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	217,447		
Alcohol Research Programs	93.273	1,387,610		
Alcohol Research Programs	93.273		878	Duke University
Alcohol Research Programs	93.273		27,774	Research Foundation for Mental Hygiene Inc.
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	93.277	665,547		
Drug Abuse National Research Service Awards for Research Training	93.278	658,877		
Drug Abuse Research Programs	93.279	5,142,696		
Drug Abuse Research Programs	93.279		547,821	Johns Hopkins University
Drug Abuse Research Programs	93.279		38,036	Plowshare Technologies
Drug Abuse Research Programs	93.279		86,582	Research Triangle Institute
Drug Abuse Research Programs	93.279		1,699	Scripps Research Institute
Drug Abuse Research Programs	93.279		105,060	University of Washington
Drug Abuse Research Programs	93.279		71,680	Wayne State University
Mental Health Research Career/Scientist Development Awards	93.281	633,743		
Mental Health National Research Service Awards for Research Training	93.282	345,888		
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	1,069,661		

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Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		77,516	Association of American Colleges
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		28,495	University of Maryland
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		62,152	University of Pennsylvania
Comparative Medicine	93.306	631,763		
Clinical Research	93.333	6,651,082		
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	773,201		
Advanced Education Nursing Traineeships	93.358	230,196		
Nursing Research	93.361	685,167		
Nursing Research	93.361		19,439	University of Hawaii
Nursing Research	93.361		33,146	University of North Carolina - Chapel Hill
Nursing Research	93.361		4,087	University of Texas at Austin
Biomedical Technology	93.371	1,232,327		
Research Infrastructure	93.389	166,894		
Academic Research Enhancement Award	93.390	54,673		
Cancer Cause and Prevention Research	93.393	2,110,915		
Cancer Detection and Diagnosis Research	93.394	1,797,196		
Cancer Detection and Diagnosis Research	93.394		166,368	American College of Radiology
Cancer Detection and Diagnosis Research	93.394		1,505	Newport Instruments
Cancer Detection and Diagnosis Research	93.394		23,392	University of Pennsylvania
Cancer Treatment Research	93.395	6,458,934		
Cancer Treatment Research	93.395		56,881	American College of Radiology
Cancer Treatment Research	93.395		5,489	American College of Surgeons
Cancer Treatment Research	93.395		71,200	Duke University
Cancer Treatment Research	93.395		753	John Wayne Cancer Institute
Cancer Treatment Research	93.395		8,950	Johns Hopkins University
Cancer Treatment Research	93.395		10,133	National Childhood Cancer
Cancer Treatment Research	93.395		10,157	New York University
Cancer Treatment Research	93.395		48,755	Northwestern University
Cancer Treatment Research	93.395		1,286	Thomas Jefferson University
Cancer Treatment Research	93.395		148	University of Illinois - Chicago
Cancer Biology Research	93.396	7,805,393		
Cancer Biology Research	93.396		27,706	Dartmouth College
Cancer Centers Support Grants	93.397	2,205,315		
Cancer Centers Support Grants	93.397		(10,293)	Johns Hopkins University
Cancer Research Manpower	93.398	909,763		
Cancer Control	93.399	567,727		
Cancer Control	93.399		63,083	Duke University
Cancer Control	93.399		3,587	Henrico Doctor's Hospital
Cancer Control	93.399		22,153	NSABP Foundation
Cancer Control	93.399		10,010	VA Oncology Association
Promoting Safe and Stable Families	93.556		19,384	University of Maryland
Community Services Block Grant	93.569	2,583		
Family Violence Prevention and Services/Grants for Battered Women's Shelters - Discretionary Grants	93.592	103,447		
Welfare Reform Research, Evaluations and National Studies	93.595	656,081		
Head Start	93.600	201,708		
Developmental Disabilities Basic Support and Advocacy Grants	93.630	5,443		
Child Abuse and Neglect Discretionary Activities	93.670	7,566		
Health Care Financing Research, Demonstrations and Evaluations	93.779	47,677		
Cell Biology and Biophysics Research	93.821	10,296,333		
Cell Biology and Biophysics Research	93.821		29,513	Acera Biosciences Inc.
Cell Biology and Biophysics Research	93.821		136,006	Florida State University
Heart and Vascular Diseases Research	93.837	15,978,721		
Heart and Vascular Diseases Research	93.837		34,276	Adenosine Therapeutics, LLC
Heart and Vascular Diseases Research	93.837		1,404	Axio Research
Heart and Vascular Diseases Research	93.837		4,455	Health Management Consultants of Virginia
Heart and Vascular Diseases Research	93.837		7,716	Imarx Pharmaceutical
Heart and Vascular Diseases Research	93.837		39,320	Magnetic Imaging Technologies
Heart and Vascular Diseases Research	93.837		38,090	University of Pittsburgh
Heart and Vascular Diseases Research	93.837		290,286	Utah Artificial Heart Institute
Lung Diseases Research	93.838	1,895,154		
Blood Diseases and Resources Research	93.839	1,886,235		
Blood Diseases and Resources Research	93.839		25,528	Allos Therapeutics
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	2,893,192		
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		6,704	Hospital for Joint Diseases Orthopaedic Institute
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		7,936	University of Pittsburgh
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		36,259	University of Texas
Diabetes, Endocrinology and Metabolism Research	93.847	5,223,208		

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Digestive Diseases and Nutrition Research	93.848	7,355,366		
Digestive Diseases and Nutrition Research	93.848		27,179	Barnes Jewish Hospital
Digestive Diseases and Nutrition Research	93.848		182,889	University of Texas
Kidney Diseases, Urology and Hematology Research	93.849	4,158,553		
Kidney Diseases, Urology and Hematology Research	93.849		2,759	Long Island Jewish Medical Center
Kidney Diseases, Urology and Hematology Research	93.849		98,050	UCLA
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	11,185,809		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		31,290	Barnes Jewish Hospital
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		4,019	Columbia University
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		27,759	Emory University
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		18,433	Karolinska Institute
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		1,773	Mayo Foundation
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		166,873	Moorhouse School of Medicine
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		17,340	Rush-Presbyterain Medical Center
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		112,763	Rush-Presbyterian-St. Lukes Medical Center
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		81,464	Techlab Research
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		24,135	UC San Diego
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		151,794	University of California
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		83,011	University of Iowa
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		73,915	University of Maryland
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		50,460	University of Minnesota
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		6,526	University of Texas
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		3,989	University of Washington
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		7,198	Wake Forest University
Allergy, Immunology and Transplantation Research	93.855	7,866,885		
Allergy, Immunology and Transplantation Research	93.855		33,327	Adenosine Therapeutics, Llc
Microbiology and Infectious Diseases Research	93.856	11,727,276		
Microbiology and Infectious Diseases Research	93.856		17,767	Institute for Genomic Research
Microbiology and Infectious Diseases Research	93.856		4,615	Nanodelivery Inc.
Microbiology and Infectious Diseases Research	93.856		50,432	Social & Scientific System
Microbiology and Infectious Diseases Research	93.856		33,652	Techlab Research
Microbiology and Infectious Diseases Research	93.856		52,242	University of Washington
Microbiology and Infectious Diseases Research	93.856		75,995	Vaccine Research for Institute of San Diego
Microbiology and Infectious Diseases Research	93.856		32,704	Vanderbilt University
Microbiology and Infectious Diseases Research	93.856		(21,660)	Wake Forest University
Pharmacology, Physiology, and Biological Chemistry Research	93.859	3,988,669		
Pharmacology, Physiology, and Biological Chemistry Research	93.859		154,002	University of Minnesota
Pharmacology, Physiology, and Biological Chemistry Research	93.859		78,667	University of North Carolina - Chapel Hill
Pharmacology, Physiology, and Biological Chemistry Research	93.859		20,996	University of Texas Southwest Medical Center
Pharmacology, Physiology, and Biological Chemistry Research	93.859		97,736	Utah State University
Genetics and Developmental Biology Research and Research Training	93.862	5,206,246		
Genetics and Developmental Biology Research and Research Training	93.862		56,468	MIT
Genetics and Developmental Biology Research and Research Training	93.862		128,311	University of Texas at Austin
Population Research	93.864	5,929,479		
Population Research	93.864		18,420	Utah State University
Center for Research for Mothers and Children	93.865	4,130,182		
Center for Research for Mothers and Children	93.865		1,854	Personal Improvement
Center for Research for Mothers and Children	93.865		58,738	University of New Mexico
Center for Research for Mothers and Children	93.865		23,078	University of Texas at Austin
Aging Research	93.866	2,118,729		
Aging Research	93.866		20,018	Barron Associates Inc.

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Federal Department/Program	CFDA Number	Direct	Indirect	Pass-Through Entity Name
Aging Research	93.866		110,035	Duke University
Vision Research	93.867	1,936,144		
Vision Research	93.867		(161)	Johns Hopkins University
Vision Research	93.867		7,157	University of Texas at Austin
Medical Library Assistance	93.879	405,152		
Medical Library Assistance	93.879		17,713	University of Maryland
Minority Access to Research Careers	93.880	154,493		
Resource and Manpower Development in the Environmental Health Sciences	93.894	192,493		
Resource and Manpower Development in the Environmental Health Sciences	93.894		14,540	Galaxy Scientific Corporation
Grants for Faculty Development in Family Medicine	93.895	142,647		
Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	93.896	245,023		
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	359,170		
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	119,856		
Center for Medical Rehabilitation Research	93.929	790,715		
Fogarty International Research Collaboration Award	93.934	155,344		
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	207,044		
Special Minority Initiatives	93.960	190,363		
Academic Administrative Units in Primary Care	93.984	324,051		
Senior International Fellowships	93.989	287,343		
Other Assistance:	93.000			
Other		2,050,599		
Other			1,222,708	D.C. Child & Family
Other			8,920	George Washington University
Other			40,220	H.M. Jackson Foundation
Other			49,576	Kentucky Cancer Program
Other			1,533	Massachusetts General
Other			206	The Louis Berger Group Inc.
Other			248,240	University of Georgia
Other			712	University of Texas
Total Research and Development Cluster		174,489,233	7,561,496	
Total U.S. Department of Health and Human Services		2,913,632,128	9,503,407	
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
State Commissions	94.003	256,508		
Learn and Serve America - School and Community Based Programs	94.004	223,486		
Learn and Serve America - Higher Education	94.005	357,041		
Learn and Serve America - Higher Education	94.005		10,771	American Association of Community Colleges Colleges
Learn and Serve America - Higher Education	94.005		3,311	University of North Carolina - Chapel Hill
AmeriCorps	94.006	976,668		
Planning and Program Development Grants	94.007	6,989		
Training and Technical Assistance	94.009	697		
Total Corporation for National and Community Service		1,821,389	14,082	
SOCIAL SECURITY ADMINISTRATION				
Social Security - Benefits Planning, Assistance, and Outreach Program	96.008	25,181		
Disability Insurance/SSI Cluster:				
Social Security - Disability Insurance	96.001	28,830,398		
Total Social Security Administration		28,855,579		
Total Federal Grantor Agencies		\$ 7,077,787,461	\$ 39,001,264	

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

COMMONWEALTH OF VIRGINIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2002

1. PURPOSE OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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 showing total federal expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA). The accompanying schedule includes all expenditures of federal awards of the Commonwealth of Virginia's departments, institutions, authorities, and component units except for the entities that were not audited by the Auditor of Public Accounts. Other auditors issued reports for the following organizations within the Commonwealth: Commission on the Virginia Alcohol Safety Action Program, Virginia Commonwealth University Health System Authority, Virginia Housing Development Authority, Virginia Resources Authority, and the Virginia State Crime Commission.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The information in the accompanying "Schedule of Expenditures of Federal Awards" is presented in accordance with OMB Circular A-133. The schedule presents a summary of direct and indirect federal financial assistance by federal department and CFDA Number.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133 define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance. Nonmonetary federal assistance including food stamps, food commodities, and surplus property, is considered federal assistance and, therefore, is reported on the "Schedule of Expenditures of Federal Awards." Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts in a vendor relationship between the Commonwealth of Virginia and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Direct Federal Assistance – Assistance received directly from the Federal government or received in a pass-through relationship from other State entities is classified as direct expenditures on the "Schedule of Expenditures of Federal Awards."

Indirect Federal Assistance – Assistance received in a pass-through relationship from entities other than the Federal government or other State entities is classified as indirect expenditures on the "Schedule of Expenditures of Federal Awards."

Major Programs – The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the criteria to be used in defining major programs. Major programs for the Commonwealth of Virginia were determined using a risk-based approach in accordance with OMB Circular A-133.

Catalog of Federal Domestic Assistance – The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number) which is reflected in the accompanying schedule.

Cluster of Programs – Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The following are the clusters administered by the Commonwealth: Food Stamp, Child Nutrition, Emergency Food Assistance, Schools and Roads, Public Works and Economic Development, Fish and Wildlife, Employment Services, JTPA, WIA, Highway Planning and Construction, Federal Transit, Highway Safety, Student Financial Assistance Programs, Special Education, TRIO, Aging, Child Care, Medicaid, Disability Insurance/SSI, and Research and Development. Research and Development, Student Financial Assistance Programs, and Highway Planning and Construction clusters expend funds from several federal departments. The amount expended for these three clusters are reported under the appropriate federal department. The total amount expended for Student Financial Assistance was \$693,226,885, consisting of \$682,632,829 from the Department of Education and \$10,594,056 from the Department of Health and Human Services. The total amount expended for Highway Planning and Construction was \$943,550,492, consisting of \$943,393,540 from the Department of Transportation and \$156,952 from the Appalachian Regional Commission. The total amount expended for Research and Development was \$361,497,899, consisting of the following federal departments:

<u>Federal Department</u>	<u>Amount Expended</u>
Department of Health and Human Services	\$ 182,050,729
Department of Defense	46,213,330
National Science Foundation	44,473,934
National Aeronautics and Space Administration	20,353,194
Department of Agriculture	14,342,376
Department of Energy	12,509,496
Department of Education	11,356,591
Department of Transportation	9,556,003
Department of Commerce	5,189,548
Department of the Interior	4,037,840
Environmental Protection Agency	3,431,440
Agency for International Development	2,950,699
Department of Justice	1,445,300
National Foundation on the Arts and the Humanities	996,197
Department of Housing and Urban Development	553,959
Federal Emergency Management Agency	395,024

National Archives and Records Administration	371,972
General Services Administration	334,186
Nuclear Regulatory Commission	251,727
Small Business Administration	181,387
Department of State	171,016
Department of Labor	154,222
Department of Veterans Affairs	58,330
Institute of Peace	54,801
Office of Personnel Management	34,093
Appalachian Regional Commission	30,509
Tennessee Valley Authority	(4)

\$ 361,497,899

B. Basis of Accounting

Federal program expenditures included in the accompanying schedule are presented using the cash basis of accounting. Under the cash basis of accounting, expenditures are recognized when paid rather than when the obligation is incurred. Federal non-cash assistance and loan/loan guarantee program activities are presented as described in Notes 2-C and 2-D below.

C. Non-Cash Assistance

The Commonwealth of Virginia participated in several federal programs in which non-cash benefits are provided through the state to eligible program participants. These include:

Food Distribution Programs (CFDA Numbers 10.550, 10.555, 10.569) – The value of food commodities was calculated using the U.S. Department of Agriculture's Food and Nutrition Service commodity price lists. The accompanying schedule includes commodity distributions of \$2,018,307, \$17,327,731, and \$9,215,887 for CFDA Numbers 10.550, 10.555, and 10.569, respectively. The accompanying schedule does not include Commonwealth-stored undistributed food commodities of \$662,118 and \$1,594,407 for CFDA Numbers 10.550 and 10.555, respectively.

Food Stamps (CFDA Number 10.551) – The face value of stamps distributed to program beneficiaries was the basis for calculating the value of food stamps. The accompanying schedule includes food stamp inventory of \$13,483,394 held by state and local government agencies responsible for administration and issuance of food stamps to program beneficiaries. As of October 24, 2002, the food stamp inventory of \$13,483,394 was returned to the Federal Government due to the Food Stamp closeout and the implementation of Electronic Benefit Transfers.

Donation of Federal Surplus Personal Property (CFDA Number 39.003) – Donated federal surplus property is valued at 23.3 percent of the original acquisition cost as assigned by the federal government. The amount included in the accompanying schedule reflects distribution to other governmental entities during the year ended June 30, 2002. Administrative expenditures of \$1,274,645

are not included in the accompanying schedule. The value of surplus property on hand at June 30, 2002 totaled \$1,567,129.

Childhood Immunization Grants (CFDA Number 93.268) – The U.S. Department of Health and Human Services purchases and distributes immunizations to the Virginia Department of Health for use by the local health departments. The amount presented in the accompanying schedule reflects the cost of immunizations to the federal government of \$10,971,635. The remaining amount of \$4,067,131 is administrative expenditures. The value of inventory on hand at June 30, 2002 was \$1,077,138.

D. Loan/Loan Guarantee Programs

Family Federal Education Loans (CFDA Number 84.032) – The amount in the accompanying schedule reflects the value of new Stafford, PLUS, and SLS loans disbursed to students during the fiscal year.

Federal Perkins Loans - Federal Capital Contributions (CFDA Number 84.038) – The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 2002.

Federal Direct Loan Program (CFDA Number 84.268) – The amount in the accompanying schedule reflects the value of new Federal Direct Loans disbursed to students during the fiscal year.

Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (CFDA Number 93.342) – The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 2002.

Nursing Student Loans (CFDA Number 93.364) – The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 2002.

College Housing and Academic Facilities Loans (CFDA Number 84.142) – The amount in the accompanying schedule reflects the outstanding balance of loans payable at June 30, 2002.

Capitalization Grants for State Revolving Funds (CFDA Number 66.458) and Capitalization Grants for Drinking Water State Revolving Fund (CFDA Number 66.468) – The amounts in the accompanying schedule reflects disbursements for administrative costs and distributions to the Virginia Resources Authority for subsequent disbursement to subrecipients.

Economic Adjustment Assistance (CFDA Number 11.307) – The amount in the accompanying schedule reflects the cash on hand and the outstanding balance of loans receivable from subrecipients at June 30, 2002.

E. Emergency Unemployment Benefits

The amount included in the accompanying schedule for Unemployment Insurance (CFDA Number 17.225) includes \$41,966,374 administrative costs, \$15,302,093 federal unemployment benefits paid to federal employees, \$317,075 federal disaster unemployment benefits paid to federal and non-federal employees, \$61,872,984 Temporary Extended Unemployment Compensation paid to all benefit recipients, and \$640,228,808 state unemployment benefits paid to non-federal employees.

F. Program Expenditures

Certain transactions relating to federal financial assistance may appear in the records of more than one state recipient agency. To avoid duplication and the overstatement of the aggregate level of federal financial assistance expended by the Commonwealth of Virginia, the following policies have been adopted:

1. When federal financial assistance is received by one state recipient agency and redistributed to another state agency (i.e., a pass-through of funds by the primary recipient state agency to a subrecipient state agency), the federal financial assistance will be reflected as expenditures by the subrecipient state agency.
2. When federal financial assistance is received by one state agency to purchase goods or services from another state agency, the federal financial assistance will be reflected as expenditures by the recipient (purchaser) agency.

3. OTHER ASSISTANCE PROGRAMS

Federal financial assistance programs that have not been assigned a CFDA Number have been included in the accompanying "Schedule of Expenditures of Federal Awards." Programs for which the grantor agency is known are reported as other assistance and are identified as CFDA Number XX.000, where XX represents the federal grantor agency.

4. ASSISTANCE PROVIDED TO NON-STATE SUBRECIPIENTS

The Commonwealth of Virginia disbursed pass-through funds to non-state subrecipients from the following programs:

CFDA Number	Name of Federal Program	Amount
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ 7,655
10.500	Cooperative Extension Service	822,327
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	1,786,524
10.664	Cooperative Forestry Assistance	468,921
10.901	Resource Conservation and Development	966
10.000	U.S. Department of Agriculture - Other Assistance	173,717

CFDA		
Number	Name of Federal Program	Amount
11.303	Economic Development - Technical Assistance	21,036
11.419	Coastal Zone Management Administration Awards	771,974
12.112	Payments to States in Lieu of Real Estate Taxes	76,489
14.228	Community Development Block Grants/State's Program	24,392,519
14.231	Emergency Shelter Grants Program	1,252,900
14.235	Supportive Housing Program	181,602
14.238	Shelter Plus Care	202,380
14.239	HOME Investment Partnerships Program	11,196,084
14.241	Housing Opportunities for Persons with AIDS	258,352
14.900	Lead-Based Paint Hazard Control in Privately-Owned Housing	183,929
15.615	Cooperative Endangered Species Conservation Fund	5,674
15.904	Historic Preservation Fund Grants-In-Aid	50,134
16.523	Juvenile Accountability Incentive Block Grants	1,550,953
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	1,628,187
16.549	Part E - State Challenge Activities	10,100
16.575	Crime Victim Assistance	8,626,678
16.579	Byrne Formula Grant Program	5,290,808
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	18,861
16.588	Violence Against Women Formula Grants	2,782,657
16.589	Rural Domestic Violence and Child Victimization Enforcement Grant Program	203,180
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	32,425
16.592	Local Law Enforcement Block Grants Program	591,233
16.593	Residential Substance Abuse Treatment for State Prisoners	32,493
16.710	Public Safety Partnership and Community Policing Grants	300,000
17.235	Senior Community Service Employment Program	1,135,279
17.253	Welfare-to-Work Grants to States and Localities	7,071,232
17.261	Employment and Training Administration Pilots, Demonstrations, and Research Projects	9,883,387
20.505	Federal Transit - Metropolitan Planning Grants	366,026
20.509	Formula Grants for Other Than Urbanized Areas	8,221,314
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	1,468,713
20.516	Job Access - Reverse Commute	403,366

CFDA		
Number	Name of Federal Program	Amount
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	68,858
20.000	U.S. Department of Transportation - Other Assistance	886,548
23.001	Appalachian Regional Development	2,159,098
45.149	Promotion of the Humanities - Division of Preservation and Access	42,491
45.310	State Library Program	331,142
47.076	Education and Human Resources	17,918
59.037	Small Business Development Center	442,922
59.046	Microloan Demonstration Program	39,000
66.001	Air Pollution Control Program Support	136,120
66.419	Water Pollution Control - State and Interstate Program Support	13,394
66.460	Nonpoint Source Implementation Grants	695,017
66.466	Chesapeake Bay Program	1,483,327
66.468	Capitalization Grants for Drinking Water State Revolving Fund	22,464,907
66.707	TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals	27,430
81.041	State Energy Program	17,014
81.042	Weatherization Assistance for Low-Income Persons	3,778,374
83.012	Hazardous Materials Assistance Program	7,000
83.536	Flood Mitigation Assistance	442,924
83.539	Crisis Counseling	1,327,951
83.543	Individual and Family Grants	1,920,100
83.544	Public Assistance Grants	9,796,511
83.548	Hazard Mitigation Grant	3,768,081
83.552	Emergency Management Performance Grants	1,145,138
84.002	Adult Education - State Grant Program	8,816,512
84.010	Title I Grants to Local Educational Agencies	131,410,224
84.011	Migrant Education - Basic State Grant Program	736,149
84.048	Vocational Education - Basic Grants to States	24,617,708
84.069	Leveraging Educational Assistance Partnership	248,877
84.116	Fund for the Improvement of Postsecondary Education	3,870
84.128	Rehabilitation Services - Service Projects	171,899
84.162	Immigrant Education	1,240,978
84.181	Special Education - Grants for Infants and Families with Disabilities	9,252,668
84.184	Safe and Drug-Free Schools and Communities - National Programs	149,576
84.185	Byrd Honors Scholarships	1,500

CFDA		
Number	Name of Federal Program	Amount
84.186	Safe and Drug-Free Schools and Communities - State Grants	6,669,948
84.213	Even Start - State Educational Agencies	2,076,858
84.215	Fund for the Improvement of Education	328,866
84.243	Tech-Prep Education	490,809
84.276	Goals 2000 - State and Local Education Systemic Improvement Grants	5,387,768
84.281	Eisenhower Professional Development State Grants	5,078,058
84.282	Charter Schools	201,487
84.298	Innovative Education Program Strategies	7,170,785
84.318	Technology Literacy Challenge Fund Grants	6,586,987
84.323	Special Education - State Program Improvement Grants for Children with Disabilities	291,522
84.330	Advanced Placement Incentive Program	32,540
84.332	Comprehensive School Reform Demonstration	1,900,000
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	799,399
84.338	Reading Excellence	3,462,251
84.340	Class Size Reduction	21,993,683
84.342	Preparing Tomorrow's Teachers to Use Technology	82,122
84.344	TRIO - Dissemination Partnership Grants	144,535
84.348	Title I Accountability Grants	1,754,349
84.352	Grants for School Repair and Renovation	457,824
84.000	U.S. Department of Education - Other Assistance	112,080
93.003	Public Health and Social Services Emergency Fund	1,232,243
93.107	Model State-Supported Area Health Education Centers	344,190
93.110	Maternal and Child Health Federal Consolidated Programs	3,546
93.127	Emergency Medical Services for Children	52,943
93.130	Primary Care Services - Resource Coordination and Development - Primary Care Offices	23,324
93.136	Injury Prevention and Control Research and State and Community Based Programs	204,777
93.145	AIDS Education and Training Centers	19,975
93.150	Projects for Assistance in Transition from Homelessness (PATH)	690,040
93.192	Quentin N. Burdick Programs for Rural Interdisciplinary Training	113,619

CFDA		
Number	Name of Federal Program	Amount
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	108,050
93.230	Consolidated Knowledge Development and Application (KD&A) Program	1,697,662
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	107,117
93.241	State Rural Hospital Flexibility Program	42,775
93.268	Immunization Grants	385,480
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	577,912
93.556	Promoting Safe and Stable Families	6,366,257
93.558	Temporary Assistance for Needy Families	115,720,741
93.563	Child Support Enforcement	273,329
93.566	Refugee and Entrant Assistance - State Administered Programs	4,314,652
93.568	Low-Income Home Energy Assistance	33,325,493
93.569	Community Services Block Grant	1,850
93.576	Refugee and Entrant Assistance - Discretionary Grants	337,522
93.583	Refugee and Entrant Assistance - Wilson/Fish Programs	154,728
93.584	Refugee and Entrant Assistance - Targeted Assistance	687,136
93.597	Grants to States for Access and Visitation Programs	161,948
93.600	Head Start	300,181
93.630	Developmental Disabilities Basic Support and Advocacy Grants	147,688
93.631	Developmental Disabilities Projects of National Significance	13,058
93.652	Adoption Opportunities	35,572
93.658	Foster Care - Title IV-E	74,723,594
93.659	Adoption Assistance	13,246,886
93.667	Social Services Block Grant	54,400,695
93.669	Child Abuse and Neglect State Grants	368,872
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	1,697,988
93.674	Independent Living	1,248,008
93.767	State Children's Insurance Program	456,311

CFDA

Number	Name of Federal Program	Amount
93.822	Health Careers Opportunity Program	154,250
93.913	Grants to States for Operation of Offices of Rural Health	19,708
93.917	HIV Care Formula Grants	2,456,400
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	49,120
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	190,230
93.926	Healthy Start Initiative	511,935
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	6,290
93.940	HIV Prevention Activities - Health Department Based	1,504,951
93.945	Assistance Programs for Chronic Disease Prevention and Control	77,500
93.958	Block Grants for Community Mental Health Services	7,914,664
93.959	Block Grants for Prevention and Treatment of Substance Abuse	41,635,637
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	97,500
93.982	Mental Health Disaster Assistance and Emergency Mental Health	2,251,775
93.991	Preventive Health and Health Services Block Grant	353,762
93.994	Maternal and Child Health Services Block Grant to the States	127,374
93.000	U.S. Department of Health and Human Services - Other Assistance	517,970
94.004	Learn and Serve America - School and Community Based Programs	185,404
94.005	Learn and Serve America - Higher Education	5,102
	Research and Development Cluster	22,786,715
	Food Stamp Cluster	57,645,930
	Child Nutrition Cluster	135,000,001
	Emergency Food Assistance Cluster	854,067
	Schools and Roads Cluster	825,803
	JTPA Cluster	27,295,989
	WIA Cluster	6,181,851
	Highway Planning and Construction Cluster	27,683,024
	Federal Transit Cluster	1,913,553

CFDA Number	Name of Federal Program	Amount
	Highway Safety Cluster	2,614,773
	Special Education Cluster	143,648,530
	Child Care Cluster	99,657,279
	Medicaid Cluster	<u>38,841,776</u>
		<u>\$ 1,320,748,197</u>

ACRONYMS FOR AGENCIES AND INSTITUTIONS

ACRONYM	AGENCY/INSTITUTION
DIT	Department of Information Technology
DMAS	Department of Medical Assistance Services
DMHMRSAS	Department of Mental Health, Mental Retardation and Substance Abuse Services
DMV	Department of Motor Vehicles
DRS	Department of Rehabilitative Services
DSS	Department of Social Services
NSU	Norfolk State University
TAX	Department of Taxation
Treasury	Department of Treasury
VCCS	Virginia Community College System
VCSP	Virginia College Savings Plan
VDH	Virginia Department of Health
VDOT	Virginia Department of Transportation
VEC	Virginia Employment Commission
UVAMC	University of Virginia – Medical Center

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