
**The Virgin Islands Department of Health's
Administration of the Infants and Toddlers Program**

FINAL AUDIT REPORT



**ED-OIG/A02-E0020
September 2005**

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effectiveness, and integrity of the
Department's programs and operations.



U.S. Department of Education
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September 28, 2005

Ms. Darlene Carty
Commissioner
Virgin Islands Department of Health
48 Sugar Estate
St. Thomas, VI 00802

Dear Ms. Carty:

Enclosed is our final audit report, Control Number ED-OIG/A02-E0020, entitled *The Virgin Islands Department of Health's Administration of the Infants and Toddlers Program*. This report was issued without your comments since you did not provide a written response to the draft report as we requested. If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Education Department official, who will consider them before taking final Departmental action on this audit:

Mr. John Hager
Assistant Secretary
Office of Special Education and Rehabilitative Services
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202-7100

It is the policy of the U. S. Department of Education to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 days would be appreciated.

In accordance with the Freedom of Information Act (5 U.S.C. § 552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

Sincerely,

/s/
Daniel P. Schultz
Regional Inspector General
for Audit

Enclosure

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ACRONYMS

ED	U.S. Department of Education
FMS	Virgin Islands Financial Management System
GAPS	Grant Administration and Payment System
IDEA	Individuals with Disabilities Education Act
LSS	Lutheran Social Services
NOPA	Notice of Personnel Action
OIG	Office of Inspector General
VI	U.S. Virgin Islands
VIDF	Virgin Islands Department of Finance
VIDH	Virgin Islands Department of Health

EXECUTIVE SUMMARY

The purpose of our audit was to determine: (1) the effectiveness of the third-party fiduciary contractual arrangement between the Virgin Islands Department of Health (VIDH) and a private agent, Lutheran Social Services (LSS), to manage the Individuals with Disabilities Education Act (IDEA), Part C grants; and (2) the status of grant funds for the 1999-2002 IDEA Part C grants.

The contractual arrangement between the VIDH and LSS has been generally effective. However, the 1999 through 2003 grants need reconciliations as we found over \$200,000 in mispostings. During 2001 and 2002, only the payroll related expenses were posted on the Virgin Islands Financial Management System (FMS)¹ since all other expenses were recorded by LSS on its system as required by the U.S. Department of Education (ED).

Prior to the third-party fiduciary arrangement, VIDH failed to draw down \$102,000 of the 1999 grant and \$111,000 of the 2000 grant for the Infants and Toddlers program. By examining the data contained in the FMS, we found that VIDH had \$99,500 less in net expenditures than federal funds it drew down from the 1999 grant. The \$99,500 will have to be returned to the Federal government unless VIDH or VIDF can provide support for additional expenditures.

Conversely, the FMS contained detailed expenditures totaling more than the 2000 grant award of \$769,327. Although there were a series of mispostings, the net expenditures were still more than the grant amount. Since VIDH only drew \$658,020, it may be permitted to draw the remaining \$111,000.

In addition, the VIDF imposed administrative requirements on the Infants and Toddlers program that negatively impacted the administration of the Infants and Toddlers grants. These requirements are independent of the Infants and Toddlers contractual arrangement with LSS. When the Infants and Toddlers staff is required to perform these additional financial procedures, less time is devoted to Infants and Toddlers program matters. A solution to alleviate the administrative burden is available if VI officials work with LSS to develop an acceptable means to transfer fiduciary data to VIDF for entry into the FMS.

During the 2001 grant year, the Infants and Toddlers program charged \$14,781 in travel expenses to the wrong grant year. In addition, another \$1,200 of 2001 grant expenses has to be returned to the U.S. Treasury.

We provided a copy of our draft audit report to VIDH on July 22, 2005, and requested comments within 30 days of this date. Despite follow-up inquiries, we received no comments from VIDH.

¹ FMS is the financial management system of the Virgin Islands and is operated and maintained by the Virgin Islands Department of Finance (VIDF).

BACKGROUND

VIDH is responsible for administering the Part C portion of the IDEA grant. Because of VIDH's problems with fiscal accountability, ED determined that VIDH is a "high-risk" grantee under 34 C.F.R. § 80.12. As a result, ED attached special conditions to the 1999 and 2000 grant awards. When VIDH did not meet the requirements, ED imposed additional special conditions on the FY 2001 through 2003 IDEA, Part C grants.

The 2001 through 2003 grant approvals noted that VIDH continued to be a "high-risk" grantee due to its difficulties with fiscal accountability, procurement process, property management, and personnel practices. These problems led to delays or denial of services for children. To address these deficiencies, ED required VIDH to contract with a third-party fiduciary as a condition of receiving the 2001 through 2003 Part C grants.

In a July 31, 2002 letter, ED approved VIDH's choice for a financial management services contractor. VIDH first entered into a contractual arrangement with Lutheran Social Services (LSS) to provide fiscal services on September 18, 2002. LSS is currently in the third year of its contract. The Infants and Toddlers program received funding of \$759,069 in 1999, \$769,327 in 2000, and \$786,891 annually for 2001-2003. The Virgin Islands grants have been awarded consistently late due to the VI's financial management problems. The 2001 grant was awarded on July 1, 2002; the 2002 grant on September 22, 2003; and the 2003 grant on September 24, 2004.

AUDIT RESULTS

Finding 1: The Third-Party Fiduciary Arrangement has been Effective

The contractual arrangement between the VIDH Infants and Toddlers program and LSS generally has been effective and has provided proper accountability of 2001 and 2002 grant expenditures. Infants and Toddlers managers received the necessary information by which they could monitor the receipts and disbursements and determine that funds are correctly drawn and deposited, and that disbursements are made promptly. We also found that LSS was accounting for the funds in a transparent manner. The differences between the draws and disbursements were generally within the three days required by federal cash management regulations.

All funds for the 2001 and 2002 grants have been drawn. LSS properly encumbered funds prior to the end of the 2002 grant and expended those funds prior to the end of the liquidation period. Finally, LSS provided a proper audit trail for Infants and Toddlers program receipts and disbursements.

By comparing the payment request dates and check dates for both professional and non-professional services, we found that all vendors were paid in an average of eight days. Further, a survey of 10 vendors indicated unanimous satisfaction with the timeliness of their payments. The fiduciary contract calls for payment within 28 days of receipt of a payment request, but records were not sufficient to allow us to determine when the invoices were received in the Infants and Toddlers program office. To demonstrate compliance, the Infants and Toddlers office should date stamp each invoice when received.

Pursuant to 34 C.F.R. § 80.40(a), "Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved."

We found that cash management requirements of the federal cash management regulations were generally followed. The differences between the draws and disbursements were within the required three days with only five exceptions. In 5 instances out of 55 draws tested, checks were dated more than 3 days after the draw. Two of these five checks were dated within five days of the draw.

LSS employees were not aware of the three-day requirement and thought that they had more leeway prior to disbursement. This was due to the contract stipulating that expenditures be made within three to five days from receipt of draw down. That language should be amended to reflect the requirements cited in 31 C.F.R. § 205.7(c)(4) (September 7, 2000), "... a State shall request funds not more than three business days prior to the day on which it makes a disbursement."

Recommendations

We recommend that the Assistant Secretary for the Office of Special Education and Rehabilitative Services require VIDH to:

- 1.1 Date stamp each invoice when received to demonstrate compliance with payment requirements; and
- 1.2 Assure that the fiduciary is disbursing funds within three days after the draw has been made, as required, and work with ED to change the special conditions in the grant, as well as the third-party contract language, to reflect the three-day cash management requirement.

Finding 2: Reconciliations Needed for 1999-2002 Grants

For the 1999 through 2002 grant years, we identified \$201,576 in mispostings in the FMS relating primarily to salaries and fringe benefits costs. Attachment A shows our detailed analysis of the mispostings. Because VIDH did not draw down \$102,004 of the 1999 grant year award and \$111,307 of the 2000 grant year award, we evaluated the expense data on FMS. The data revealed that VIDH overspent on the 2000 grant. As a result, VIDH may be able to request the \$111,307 that was never drawn. However, VIDH may have to return over \$99,512 charged to the 1999 grant and over \$15,985 charged to the 2001 grant. Attachments B through E show our analyses of grant expenditures by grant year, and the amounts determined to be: overdrawn, potentially overdrawn, misposted to the wrong grant year, improperly transferred, unallowable, and unsupported. Only payroll costs appeared in the FMS for the 2001 and 2002 grant years due to the third-party fiduciary arrangement that required all other expenses to be recorded by LSS.

Pursuant to 34 C.F.R. § 80.23(a), "When a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted" Under the "Tydings Amendment" Section 421(b) of the General Education Provisions Act, 20 U.S.C. § 1225(b), any funds not obligated and expended during the period for which they were awarded become carryover funds and may be obligated and expended during the succeeding fiscal year.

According to 34 C.F.R. § 80.20(b)(2), "Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

Status of 1999 Grant Year Funds – Potentially \$99,512 to be Returned

Based on our analysis of FMS data, we found \$16,420 in improper charges to the 1999 grant. These expenses were incurred after the grant period expired and should have been charged to the 2000 grant. The Virgin Islands FMS did not automatically close out the grant after the grant period (including the 12-month Tydings period) expired. This allowed expenses to be entered into the FMS and charged to the wrong grant year.

In addition, on June 10, 2002, VIDF processed an adjustment voucher for \$90,277 to transfer salaries, fringe benefits, and indirect costs from an expired Infants and Toddlers grant to the 1999 grant. Neither the Infants and Toddlers office, VIDF, nor FMS had the detail to support the adjustments. The adjustment voucher was processed without having or maintaining the supporting documentation indicating whose salaries and fringe benefits were originally charged.

At the time of our review, ED's Grant Administration and Payment System (GAPS) showed that \$102,004 of the grant award had not been drawn. However, as a result of these mischarges and

unsupported cost transfers, the 1999 grant had draws of \$657,065, which were greater than net expenses recorded of \$557,553. The FMS showed expenditures of \$664,250, but the mischarges, \$16,420, and unsupported cost transfers, \$90,277, reduced expenses to \$557,553. If VIDH or VIDF cannot provide support for the mischarges or adjustments, VIDH will have to return \$99,512 to the Federal government. See Attachment B for further details.

Status of 2000 Grant Year Funds - Potentially \$111,307 to be Drawn

The FMS listed \$92,716 in improper charges to the 2000 grant. Based upon the timing of the FMS entries, miscellaneous and salary and fringe expenditures were charged to the 2000 grant rather than the 2001 grant. These expenses were incurred after the 2000 grant period expired. Conversely, \$30,117 was charged incorrectly to the 1999 and 2001 grants and should have been charged to the 2000 grant.

When the VI programs receive new grants, the recipient organization is required to inform the VI Department of Personnel of the funding source and of the personnel to be paid from that grant. The VI Department of Personnel is responsible for entering both the funding source and affected personnel into the FMS. If the personnel action failed to reflect the appropriate funding source or the information had not been entered into FMS, the salaries would automatically be charged to the last identified funding source. This was the apparent cause for these mischarges.

Further, the FMS had recorded expenditures of \$842,429 versus a grant award of \$769,327. Although recorded expenses were much greater than the grant amount, the difference was not reconciled. At the time of our review, GAPS showed that \$111,307 of the grant award had not been drawn.

The FMS did not automatically close out the grant after the grant period (including the 12-month Tydings period) expired. This allowed expenses to be entered into the FMS and charged to the wrong grant year. Overcharges apparently went unnoticed because no one evaluated the FMS data to determine why the grant was overspent.

By transferring out the FMS mischarges of \$92,716 and transferring in charges of \$30,118 the net FMS expense would be \$779,831. This is \$10,504 more than the grant amount. VIDH could, if it receives ED's approval, draw the remaining balance of \$111,307. See Attachment C for further details.

Status of 2001 Grant Funds – Potentially \$15,985 to be Returned

The potential return of \$15,985 resulted from travel accountability issues. Although these expenses were properly recorded on LSS's records, they were charged to the wrong grant year, for improper travel expenses, and an overpayment. The details and recommendations for this issue are discussed in Finding 4. In addition, the FMS showed that expenses were charged to the wrong grant period. Salary and fringe benefits expenses of \$21,340 were incorrectly charged to the 2001 grant. Conversely, \$92,716 in salary and fringe benefits were charged incorrectly to the 2000 rather than the 2001 grant. Since LSS was the fiduciary for the 2001 grant and properly

accounted for these expenses, the FMS mispostings did not impact the allowable charges. See Attachment D for further details.

Status of 2002 Grant Funds - Excess Expenses of \$14,781

VIDH drew down and expended the entire 2002 grant award. However, travel expenses were improperly charged to the 2001 rather than the 2002 grant. Therefore, the 2002 grant had excess expenditures of \$14,781. See Finding 4.

Although the FMS had expenses charged to the wrong grant period, these FMS mispostings did not impact the allowable charges. The FMS listed \$71,100 in salary and fringe expenses incorrectly charged to the 2002 grant. The charges were for pay periods in October, November, and December 2004, and should have been charged to the 2003 grant.² Conversely, \$7,642 should have been charged to the 2002 grant but was charged to the 2001 grant. See Attachment E for further details.

Recommendations:

We recommend that the Assistant Secretary for OSERS require:

- 2.1 VIDH to prepare adjustments for the 1999–2002 grants to transfer the \$201,576 in misposted charges, primarily for salaries and fringe benefits costs, to the appropriate grant years;
- 2.2 VIDH or VIDF to provide support for the 1999 grant or return \$99,512 to the Federal government for the overdraws of this grant;
- 2.3 VIDH, for the 2000 grant, to contact ED once the adjustments are completed, to determine whether the additional funds can be drawn on the 2000 grant and what documentation would be needed to support the request;
- 2.4 VIDF to ensure that FMS has sufficient controls to prevent charges to incorrect grant periods;
- 2.5 VIDH to request future adjustments only after it has the detail to support the changes;
- 2.6 VIDF to only allow future cost adjustments when supporting documentation accompanies the request;

² The Virgin Islands grants have been awarded consistently late due to the VI's financial management problems. The 2002 grant expired on September 30, 2004. The 2003 grant was awarded on September 27, 2004, and expires on September 30, 2005. The 2004 grant has not yet been awarded. Accordingly, the 2003 grant was the only available grant to charge for pay periods in October, November, and December 2004.

- 2.7 VIDH to timely prepare personnel actions and VI Personnel to timely enter them into the FMS so that expenses are charged to the correct grant year, especially at the inception of the grant period; and
- 2.8 VIDH and VIDF to reconcile situations where recorded expenses in FMS are greater than the grant amount. The FMS should automatically flag such a condition.

Finding 3: Administrative Burdens have been Imposed on the Infants and Toddlers Program

VIDF imposed administrative requirements on the Infants and Toddlers program that negatively impacted the administration of the Infants and Toddlers grants. These requirements are independent of the program's contractual arrangement with LSS. When the Infants and Toddlers staff is required to perform these additional administrative procedures, less time is devoted to program matters. A solution to alleviate the administrative burden is available if VI officials work with LSS to develop an acceptable means to transfer fiduciary data to VIDF for entry into the FMS.

Statements of Remittances

VIDF requires the Infants and Toddlers program office to prepare Statements of Remittances for every payroll. We were informed these statements are to be used to verify and reconcile salary and fringe benefit expenses. However, the statements appear to be duplicative and not needed since the salary and fringe benefit data were already available in the FMS system. VIDF could not provide us with procedural descriptions as to how the statements of remittances are to be used.

Payroll Processing

Since VIDH is the grantee representing the VI Government, VIDF claims that it must continue to process payrolls and issue payroll checks so that employees retain their government employee status. Whether the grantee could bypass VIDF and allow the fiduciary to process payroll is a legal question to be considered by ED officials.

Manually-Prepared Vouchers

Since the inception of the fiduciary agreement starting with the 2001 grant, only salary and related fringe benefit expenses for the Infants and Toddlers program were recorded in the FMS system. Non-salary expenditures were only recorded in LSS's accounting system, and do not appear in FMS. VIDF planned to require the Infants and Toddlers program administrators to provide summary-level non-salary expenditure data for inclusion in FMS through the use of manually-prepared vouchers.³

According to 34 C.F.R. § 80.20(b)(2), accounting records "must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income." VI officials need to ensure that they have an efficient process for maintaining required accounting records.

³ VIDF termed the manually-prepared voucher as a "dummy voucher."

Requiring the Infants and Toddlers program administrators to create manually-prepared vouchers would be burdensome, as it would require summarizing accounting data that is already available in detailed, electronic format in LSS's accounting system. The summary-level expenses would not provide any detailed information on the expenditures, and without such detail, it is questionable whether an adequate audit trail would exist.

To resolve this issue and to ease the Infants and Toddlers program's administrative burden, the OIG suggested that the non-salary data in LSS's accounting system be provided to VIDF.

Recommendations

We recommend that the Assistant Secretary for OSERS require VIDH to:

- 3.1 Eliminate the requirement for Statements of Remittances for the purposes of salary and fringe benefit reconciliations;
- 3.2 Have LSS process the payroll, if it is determined that the Infants and Toddlers program employees can retain their status as VI government employees; and
- 3.3 Have LSS electronically submit monthly data files relating to non-salary data to VIDF. The files should contain the same data elements used by VIDF, such as the cost center and accounting classification.

Finding 4: The 2001 Travel Expenses were not Always Accounted for Properly

The Infants and Toddlers program sometimes did not accurately account for travel charges. Some travel expenses were charged to the wrong grant year. One employee did not realize that she had incurred excessive travel expenses when she detoured on her return trip. This employee needs to reimburse the program for those costs. We also found a recouped overpayment to a travel agency that must be returned to the program.

According to 34 C.F.R. § 75.703, “A grantee may use grant funds only for obligations it makes during the grant period.” Section 75.707 states travel is obligated “when the travel is taken.”

Personnel at the Infants and Toddlers program were unaware of the requirements that prohibit the use of prior year encumbrances for travel expenses in a new grant year. In addition, the VIDH lacked a policy on employee travel.

As a result, travel expenditures totaling \$14,781 were incorrectly charged to the 2001 grant instead of the 2002 grant. In addition, the Infants and Toddlers program incurred \$273 in extra costs because an employee detoured for personal travel after attending job related conferences. Infants and Toddlers staff inadvertently made an overpayment of \$931 for patient travel.⁴ They recouped the overpayment and now must return it to ED.

Because the Infants and Toddlers program had drawn down and expended all funds for the 2001 grant, the mischarges and returns of funds impact the total expenses.

Travel Expense Impact on Grant Funds

	Costs Posted LSS	Misposted Travel	Unallowable Travel	Payment Return	Net Expenses
General expenses	\$369,201	(\$14,781)	(\$273)	(\$931)	\$353,216
Salaries & Fringes	\$402,724				\$402,724
Indirect	\$14,966				\$14,966
Total	\$786,891	(\$14,781)	(\$273)	(\$931)	\$770,906

Based upon these adjustments, the Infants and Toddlers program had net expenditures of \$770,906. Since it had drawn down the entire \$786,891 award, the Infants and Toddlers program must return the difference of \$15,985 to the Federal government. However, the prior

⁴ The grant allows payment of travel expenses when a patient has to receive services outside of the Virgin Islands.

year grant (2000) shows, after adjustments to the FMS figures, \$10,504 more in net expenditures than the grant award. See Attachments A and C for specifics. Since the grant periods overlap, VIDH may be able to transfer those expenses to the 2001 grant.

Recommendations:

We recommend that the Assistant Secretary for OSERS require VIDH to:

- 4.1 Develop an employee travel policy requiring the traveler to pay all additional personal travel expenses in excess of the cost to and from professional conferences or activities;
- 4.2 Transfer travel expenses of \$14,781 to the correct grant year or return it to ED;
- 4.3 Recoup overpayment of \$273 for the employee's personal travel and return it to ED; and
- 4.4 Return the \$931 recouped for a duplicate payment to ED.

OBJECTIVES, SCOPE, AND METHODOLOGY

The audit objectives were to determine: (1) the effectiveness of the third-party fiduciary contractual arrangement between the VIDH and a private fiduciary agent (LSS) to manage the IDEA, Part C grants; and (2) the status of grant funds for 1999-2002 IDEA, Part C grants.

To accomplish our objectives, we obtained an understanding of the internal controls of LSS and the VI Infants and Toddlers Program. We reviewed the current policies, procedures, and practices of LSS and the VI Infants and Toddlers Program and evaluated the policies developed by the Infants and Toddlers Program office to monitor the fiduciary. We ensured that all expenditures and drawdowns handled by the fiduciary were adequately supported and properly documented. We did not assess the adequacy of the internal controls, but we found deficiencies in the areas of cost allocability and lack of supporting documentation. These areas are addressed in our Audit Results section.

We conducted our audit fieldwork at the VIDH and VIDF offices on St. Thomas and at the LSS office on St. Croix. We extracted and evaluated data from GAPS, FMS, and LSS' accounting system. We interviewed officials at the Infants and Toddlers program, LSS, ED, VIDF, and VIDH. We also contacted vendors and service providers doing business with the program. Despite our July 22, 2005, request to the Commissioner of VIDH for management comments to the draft audit report, VIDH did not provide any comments. Consequently, we did not have VIDH management comments to consider when preparing the final report.

We reviewed transactions charged from 1999 to 2004 to the VI Infants and Toddlers program to determine whether the transactions were charged to the proper years. We also audited the allowability of a random sample of 100 vendor payments totaling \$122,410 for professional and nonprofessional services. Further, we conducted a survey of ten vendors to determine their level of satisfaction with the third-party arrangement.

To achieve our audit objectives, we assessed the reliability of LSS' computer-processed data. We randomly selected 40 vendors with transactions totaling \$37,337 and compared invoices, requests for payments, and actual payments. Our review found that these transaction amounts matched in all instances. Based on these tests, we determined that LSS' computer processed data was reliable for the purposes intended.

Our audit was performed in accordance with generally accepted government auditing standards appropriate to the scope of the audit described above.

ATTACHMENT A

Mispostings in FMS

<u>Cost Category</u>	<u>Grant Charged</u>	<u>Amount Charged</u>	<u>Correct Grant</u>
Miscellaneous	1999	<u>\$16,420</u>	2000
		\$16,420	
Salaries	2000	\$ 72,927	2001
Fringes	2000	<u>\$19,789</u>	2001
		\$92,716	
Salaries	2001	\$ 10,481	2000
Fringes	2001	\$ 3,217	2000
Salaries	2001	\$ 5,767	2002
Fringes	2001	<u>\$ 1,875</u>	2002
		\$21,340	
Salaries	2002	\$ 13,191	2003
Fringes	2002	<u>\$ 3,616</u>	2003
		\$16,807	
Salaries and Fringes ⁵	2002	<u>\$54,293</u>	2003
		\$71,100	
GRAND TOTAL		<u>\$201,576</u>	

⁵ Only the combined total, with no details, was available.

ATTACHMENT B

Analysis of Grant Funds Posted to FMS - 1999

<u>Grant Year</u> <u>1999</u>	FMS Expenses	Less: Unallowable	Less: Unsupported	Net Expenses
Expenses	\$383,158	\$ 16,420	\$ 0	\$366,738
Salaries	\$218,103	\$ 0	\$ 68,448	\$149,654
Fringe	\$ 58,649	\$ 0	\$ 18,753	\$ 39,897
Indirect	\$ 4,340	\$ 0	\$ 3,076	\$ 1,264
Totals	\$664,250	\$ 16,420 ⁶	\$ 90,277 ⁷	\$557,553
Grant Award	\$759,069			
Amount Drawn	\$657,065			
Grant Balance Available	\$102,004			
Net Expenses	\$557,553			
Amt Drawn	\$657,065			
Overdrawn	(\$99,512)			

⁶ Unallowable expenses of \$16,420 were incorrectly charged to the 1999 grant instead of the 2000 grant.

⁷ Unsupported charges of \$90,277 were from a June 2002 adjustment voucher that was processed without supporting documentation.

ATTACHMENT C

Analysis of Grant Funds Posted to FMS - 2000

<u>Grant Year</u> <u>2000</u>	FMS Expenses	Less: Unallowable	Cost Transfers	Net Expenses
Expenses	\$166,466	\$ 0	\$ 16,420	\$182,886
Salaries	\$507,375	\$ 72,927	\$ 10,481	\$449,929
Fringes	\$142,753	\$ 19,789	\$ 3,217	\$126,181
Indirect	\$ 25,835	\$ 0	\$ 0	\$ 25,835
Totals	\$842,429	\$ 92,716 ⁸	\$ 30,118 ⁹	\$779,831
Grant Award	\$769,327			
Amount Drawn	\$658,020			
Grant Balance Available	\$111,307			
Grant Award	\$769,327			
Net Expenses	\$779,831			
Excess Expenses	(\$10,504)			

⁸ Unallowable charges were comprised of salaries of \$72,927 and fringe benefits of \$19,789 that should have been charged to the 2001 grant.

⁹ Cost transfers represented expenses of \$16,420 that were charged to the 1999 grant that should have been charged to the 2000 grant, and salaries of \$10,481 and fringe benefits of \$3,217 that were charged to the 2001 grant that should have been charged to the 2000 grant.

ATTACHMENT D

Analysis of Grant Funds Posted to FMS - 2001

Grant Year <u>2001</u>	Adjustments Needed	Adjustments Needed	Adjustments Needed
	2000 Transfers <u>to 2001</u>	2001 Transfers <u>to 2000</u>	2001 Transfers <u>to 2002</u>
Salaries	\$72,927	(\$10,481)	(\$5,767)
Fringes	\$19,789	(\$3,217)	(\$1,875)
Totals	\$92,716 ¹⁰	(\$13,698) ¹¹	(\$7,642) ¹²

¹⁰ These costs are comprised of salaries of \$72,927 and fringe benefits of \$19,789 that were charged to the 2000 grant that should have been charged to the 2001 grant.

¹¹ These are salaries of \$10,481 and fringe benefits of \$3,217 that were charged to the 2001 grant that should have been charged to the 2000 grant.

¹² These are salaries of \$5,767 and fringe benefits of \$1,875 that were charged to the 2001 grant that should have been charged to the 2002 grant.

ATTACHMENT E

Analysis of Grant Funds Posted to FMS - 2002

Grant Year <u>2002</u>	Adjustments Needed	Adjustments Needed	Adjustments Needed
	2001 Transfers <u>to 2002</u>	2002 Transfers <u>to 2003</u>	2002 Transfers <u>to 2003</u>
Salaries	(\$5,767)	(\$13,191)	
Fringes	(\$1,875)	(3,616)	
Salaries and Fringes	\$ 0	\$ 0	\$54,293
Totals	(\$7,642) ¹³	(\$16,807) ¹⁴	\$54,293 ¹⁵

¹³ These are salaries of \$5,767 and fringe benefits of \$1,875 that were charged to the 2001 grant that should have been charged to the 2002 grant.

¹⁴ These are salaries of \$13,191 and fringe benefits of \$3,616 that were charged to the 2002 grant that should have been charged to the 2003 grant.

¹⁵ These are salaries and fringe benefits of \$54,293 that were charged to the 2002 grant that should have been charged to the 2003 grant. The detail breakout was not available.